

**SCHOOL DISTRICT OF THE
BOROUGH OF FORT LEE
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

**School District
of
BOROUGH OF FORT LEE**

**BOROUGH OF FORT LEE BOARD OF EDUCATION
Fort Lee, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2014**

Comprehensive Annual Financial Report

of the

**BOROUGH OF FORT LEE
BOARD OF EDUCATION
Fort Lee, New Jersey**

Year Ended June 30, 2014

Prepared by

**David L. Rinderknecht
Business Administrator/Board Secretary**

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INTRODUCTORY SECTION



Fort Lee Public Schools

Central Administration Offices

2175 Lemoine Avenue, 6th Floor ♦ Fort Lee, New Jersey 07024

Phone: 201.585.4612 ♦ Fax: 201.585.7997

www.FLBOE.com

Mr. Paul J. Saxton

Interim Superintendent of Schools

Dr. Sharon Amato

Executive Director, Curriculum & Operations

Mr. David L. Rinderknecht

Interim Business Administrator/Board Secretary

November 14, 2014

Honorable President and Members of the Board of Education
Borough of Fort Lee School District
County of Bergen
Fort Lee, New Jersey

Dear Board Members,

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Borough of Fort Lee School District for the fiscal year ended June 30, 2014. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this new financial reporting model will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Borough of Fort Lee School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and Includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the School District, generally presented on a multi-year basis;

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Treasury Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

School District Organization

The Borough of Fort Lee School District is one of 643 school districts in the State of New Jersey and one of 78 school districts in Bergen County. The School District provides education to 3,819 students in grades kindergarten through twelve.

An election nine-member Board of Education (the "Board") serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of School district tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the School district, acting as custodian of all School district funds, and investing funds as permitted by New Jersey law.

Reporting Entity

The Borough of Fort Lee School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The Borough of Fort Lee Board of Education and its six schools constitute the District's reporting entity.

Economic Conditions and Outlook

The District completed the 2013-2014 fiscal year with an average daily enrollment of 3,779 students, which is thirty-nine students more than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

Fiscal Year	Average Daily Enrollment Student Enrollment	Percent Change
2013-2014	3,779	1.04%
2012-2013	3,740	1.38%
2011-2012	3,689	2.44%
2010-2011	3,601	1.63%
2009-2010	3,543	2.00%
2008-2009	3,482	- 0.17%
2007-2008	3,488	0.37%
2006-2007	3,475	-0.20%

Future trends points towards an increase in enrollment.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. Overall tax revenue for the general fund increased for the 2013-2014 school year by 1.86%, but the increase in projected expenditures from inflationary pressures, contractual agreements and enrollment growth has outpaced the additional revenue. The district's administration is closely monitoring the cost of operations and continues to look for innovative ways to contains costs in additional to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The district remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for and support of a quality school system.

Major Initiatives/Educational Program

Major activities for the Fort Lee School District for the 2013-2014 school year include:

1. Training and implementation of new teacher evaluation system based on the Danielson Framework. (Teachscape), development of SGOs, PARCC training.
2. Alignment of Curriculum with Common Core Standards, created benchmark and quarterly assessments.
3. Improvement of Special Education accountability.
4. Energy Savings Improvement Program (ESIP) initiated.
5. Addressed shortage of classroom space caused by a continuous increase on enrollment.
 - a. Approved installation of 12 temporary classrooms.
 - b. Developed plans for referendum to add classrooms and special areas to School #2 and Lewis F. Cole Middle School.
6. Continue Technology Integration Plan.
7. Expanded bandwidth from 50mbps to 500mbps.

Financial Information

Internal Accounting and Budgetary Control: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to the federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Basic Financial Statements", Notes 1 and 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management: The Board carries various forms of insurance, including by not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996, The Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, and New Jersey OMB Circular Letter 04-04. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

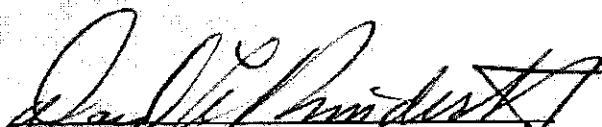
Acknowledgements

We would like to express our appreciation to the members of the Borough of Fort Lee School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted

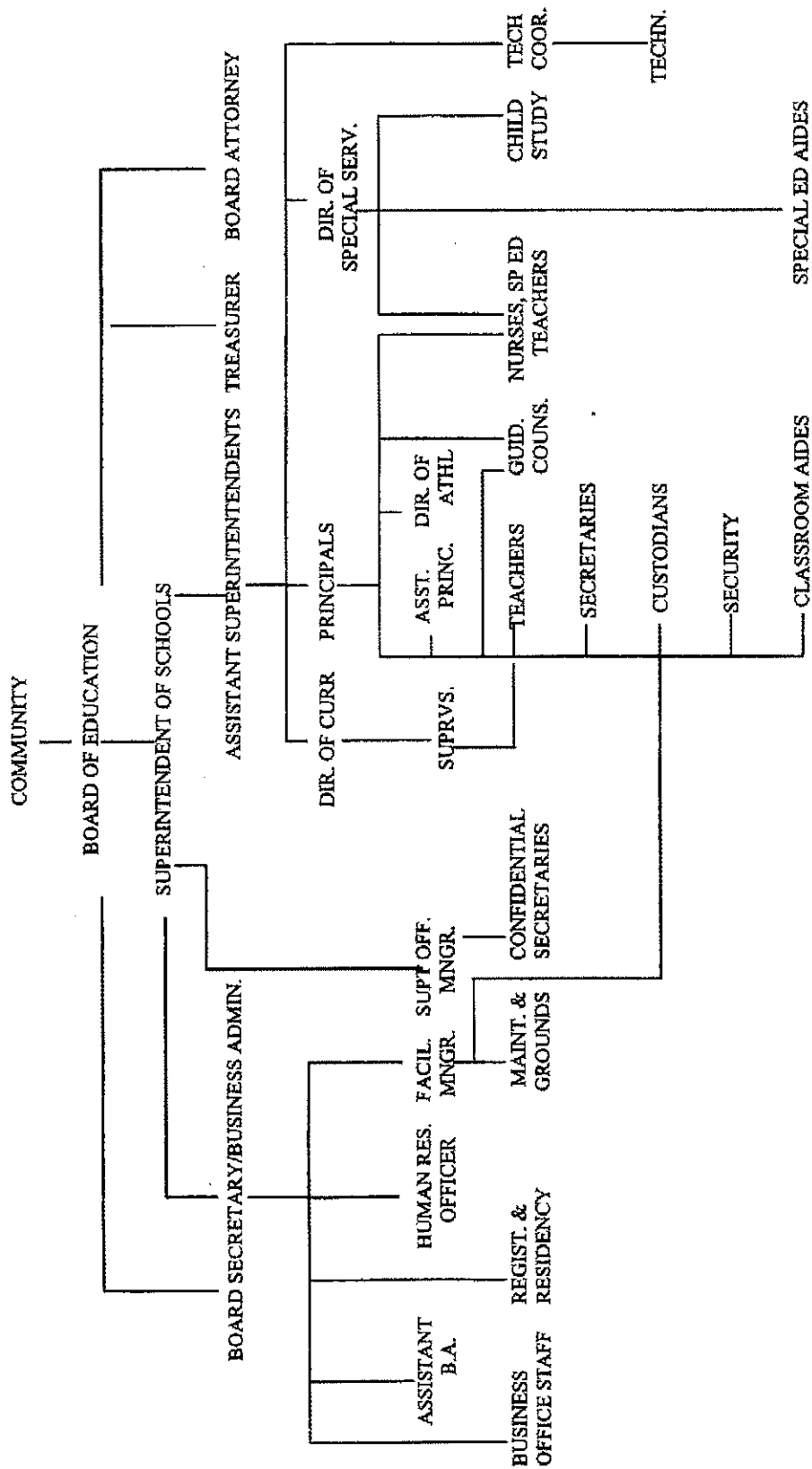


Mr. Paul J. Saxton
Superintendent of Schools



Mr. David L. Rinderknecht
Interim Business Administrator/Board Secretary

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES
FORT LEE PUBLIC SCHOOLS
2013-2014**



FORT LEE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yusang Park (James), President	12/31/2016
Joseph J. Surace, Vice President	12/31/2014
Esther Han Silver	12/31/2015
Jeff Weinberg	12/31/2016
Holly Morell	12/31/2015
Candace Romba	12/31/2016
David Sarnoff	12/31/2015
Peter J. Suh	12/31/2014
Helen Yoon	12/31/2014

Other Officials

Dr. Sharon Amato - Interim Superintendent of Schools (7/1/13 - 8/19/13)

Paul J. Saxton - Interim Superintendent (8/20/13 - 6/30/14)

Dr. Sharon Amato - Assistant Superintendent of Schools (8/20/13 - 3/9/14)

Dr. Sharon Amato - Executive Director of Curriculum & Operations (3/10/14-6/30/14)

Robert Brown - Interim Business Administrator/Board Secretary (7/1/13 - 10/21/13)

David L. Rinderknecht - Interim Business Administrator (10/22/2013 - 6/30/14)

Joseph Iannaconi, Treasurer of School Monies

Ana M. Flores, Assistant Business Administrator

Jack L. DeNichilo, Supervisor Buildings & Grounds

Mr. Dennis McKeever, Esq., Board Attorney

FORT LEE BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2014

Attorney

Dennis McKeever, Esq.
Lindabury, McCormick, Estabrook & Cooper, P.C.
53 Cardinal Drive
Westfield, NJ 07091

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depositories

TD Bank
1100 Lake Street
Ramsey, NJ 07446

FINANCIAL SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Fort Lee School District
County of Bergen, New Jersey
Fort Lee, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Fort Lee School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Fort Lee Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fort Lee Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

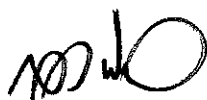
The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2014 on our consideration of the Borough of Fort Lee Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to

Honorable President and
Members of the Board of Education
Page 4.

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Fort Lee Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkatz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 14, 2014

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

As management of the Borough of Fort Lee School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Fort Lee School District for the fiscal year ended June 30, 2014.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$1,023,615. Net position of governmental activities increased \$1,251,374 while net position of business-type activity decreased by \$(227,759).
- General revenues accounted for \$66,490,556 in revenue or 96 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,949,238 or 4 percent of total revenues of \$69,439,794.
- The School District had \$66,914,156 in expenses related to governmental activities; only \$1,675,017 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$66,490,513 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Fort Lee School District's basic financial statements. The Borough of Fort Lee School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Fort Lee School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Fort Lee School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Fort Lee School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Fort Lee School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Fort Lee School District include instruction, support services and special schools. The business-type activities of the Borough of Fort Lee School District include the food service program and latchkey program.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Fort Lee School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Fort Lee School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Fort Lee School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Borough of Fort Lee School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Borough of Fort Lee School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Fort Lee School District uses enterprise funds to account for its food service program and latchkey program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Fort Lee School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net positions were \$18,239,267 at June 30, 2014 and \$17,215,652 at June 30, 2013. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2014 compared to 2013 (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets						
Current and Other Assets	21,590,765	25,323,257	496,159	635,285	22,086,924	25,958,542
Capital Assets	<u>24,842,230</u>	<u>18,582,644</u>	<u>65,940</u>	<u>79,460</u>	<u>24,908,170</u>	<u>18,662,104</u>
Total Assets	<u>46,432,995</u>	<u>43,905,901</u>	<u>562,099</u>	<u>714,745</u>	<u>46,995,094</u>	<u>44,620,646</u>
Deferred Outflows:						
Unamortized Bond Issuance						
Costs	<u>340,537</u>	<u>383,104</u>	—	—	<u>340,537</u>	<u>383,104</u>
Total Deferred Outflows	<u>340,537</u>	<u>383,104</u>	—	—	<u>340,537</u>	<u>383,104</u>
Liabilities						
Current Liabilities	2,036,358	1,119,715	135,666	60,553	2,172,024	1,180,268
Noncurrent Liabilities	<u>24,999,803</u>	<u>24,442,726</u>	—	—	<u>24,999,803</u>	<u>24,442,726</u>
Total Liabilities	<u>27,036,161</u>	<u>25,562,441</u>	<u>135,666</u>	<u>60,553</u>	<u>27,171,827</u>	<u>25,622,994</u>
Deferred Inflows:						
Unamortized Bond Issuance						
Premiums	<u>1,924,537</u>	<u>2,165,104</u>	—	—	<u>1,924,537</u>	<u>2,165,104</u>
Total Deferred Inflows	<u>1,924,537</u>	<u>2,165,104</u>	—	—	<u>1,924,537</u>	<u>2,165,104</u>
Net Position						
Net Investment in Capital						
Assets	3,994,842	(1,278,960)	65,940	79,460	4,060,782	(1,199,500)
Restricted	18,051,812	22,650,012	—	—	18,051,812	22,650,012
Unrestricted	<u>(4,233,820)</u>	<u>(4,809,592)</u>	<u>360,493</u>	<u>574,732</u>	<u>(3,873,327)</u>	<u>(4,234,860)</u>
Total Net Position	<u>17,812,834</u>	<u>16,561,460</u>	<u>426,433</u>	<u>654,192</u>	<u>18,239,267</u>	<u>17,215,652</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2014 compared to 2013.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			836,887	1,460,359	836,887	1,460,359
Operating Grants and						
Contributions	1,675,017	1,810,086	437,334	443,442	2,112,351	2,253,528
General Revenues:						
Taxes:						
Property taxes	54,673,393	53,675,777			54,673,393	53,675,777
Federal and State Aid not						
Restricted	7,654,476	8,570,981			7,654,476	8,570,981
Capital Outlay	2,193,768	1,693,536			2,193,768	1,693,536
Cancellation of Capital						
Outlay to Capital Reserves	1,397,566				1,397,566	
Miscellaneous Income	567,332	296,094			567,332	296,094
Investment Income	<u>3,978</u>	<u>5,313</u>	<u>43</u>	<u>78</u>	<u>4,021</u>	<u>5,391</u>
Total Revenues and Transfers	<u>68,165,530</u>	<u>66,051,787</u>	<u>1,274,264</u>	<u>1,903,879</u>	<u>69,439,794</u>	<u>67,955,666</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Functions/Program Expenses						
Instruction:						
Regular	23,815,229	23,773,786			23,815,229	23,773,786
Special Education	5,081,131	5,480,927			5,081,131	5,480,927
Other Special Education	2,680,798	2,439,814			2,680,798	2,439,814
Other Instruction	1,313,645	1,003,251			1,313,645	1,003,251
Support Services:						
Tuition	3,496,240	3,472,301			3,496,240	3,472,301
Student & Instruction						
Related Services	9,078,827	9,010,969			9,078,827	9,010,969
General Administrative						
Services	1,591,783	1,315,155			1,591,783	1,315,155
School Administrative						
Services	2,987,540	2,549,700			2,987,540	2,549,700
Central Services and Admin.						
Info. Tech.	1,113,877	880,547			1,113,877	880,547
Plant Operations and						
Maintenance	5,158,782	4,697,862			5,158,782	4,697,862
Pupil Transportation	1,616,017	1,493,593			1,616,017	1,493,593
Unallocated Benefits	4,118,192	5,939,141			4,118,192	5,939,141
Food Service			1,502,023	1,791,719	1,502,023	1,791,719
Interest on Long-Term Debt	699,444	616,664			699,444	616,664
Unallocated Depreciation	982,630	902,366			982,630	902,366
Capital Outlay -						
Nondepreciable	3,378,021	364,675			3,378,021	364,675
Amortization and Capital						
Lease Obligations	<u>(198,000)</u>	<u>(198,000)</u>	<u> </u>	<u> </u>	<u>(198,000)</u>	<u>(198,000)</u>
Total Expenses	<u>66,914,156</u>	<u>63,742,751</u>	<u>1,502,023</u>	<u>1,791,719</u>	<u>68,416,179</u>	<u>65,534,470</u>
Increase or (Decrease) in						
Net Position	<u>1,251,374</u>	<u>2,309,036</u>	<u>(227,759)</u>	<u>112,160</u>	<u>1,023,615</u>	<u>2,421,196</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$68,416,179. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$54,673,393 because some of the cost was paid by those who benefitted from the programs \$836,887, by other governments and organizations who subsidized certain programs with grants and contributions \$11,960,595, investment income \$4,021, cancellation of capital outlay to capital reserve \$1,397,566, and by miscellaneous sources \$567,332.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2014, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$55,244,703	82.7%	(\$19,162,481)	(25.75)%
State Source	9,931,937	14.9	(429,145)	(4.14)%
Federal Source	<u>1,591,324</u>	<u>2.4</u>	<u>(122,197)</u>	(7.13)%
Total	<u>\$66,767,964</u>	<u>100.0%</u>	<u>(\$19,713,823)</u>	(22.80)%

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$25,951,523	34.7%	(\$400,013)	(1.52)%
Undistributed	36,856,186	49.3	1,434,341	4.05%
Debt Service	1,352,100	1.8	12,200	.91%
Capital Outlay	<u>10,620,237</u>	<u>14.2</u>	<u>4,993,230</u>	88.74%
Total	<u>\$74,780,046</u>	<u>100.0%</u>	<u>\$6,039,758</u>	8.79%

Changes in expenditures were the result of varying factors. Current expense undistributed decreased due to reductions in spending for tuition, plant operations and maintenance, transportation and health insurance cost due to reductions in the number of employees.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2014, the School District amended the general fund by \$608,747 for prior year unanticipated extraordinary aid and special revenue fund by \$399,041 for increases in federal and state grants.

General Fund

The general fund actual revenue including transfers and capital leases was \$65,063,251. That amount is \$9,214,831 above the final amended budget of \$55,848,420. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,744,899 for TPAF pension and Social Security reimbursements, \$507,741 for additional extraordinary state aid, \$31,185 for additional state aid, \$(32,063) for a reduction in federal aid, \$154,826 for a transfer from capital projects fund, \$1,397,566 for cancellation of capital outlay, \$1,967,725 for capital lease non-budgeted, and \$442,952 for increases in other anticipated revenues.

The actual expenditures of the general fund were \$66,261,338 including transfers and capital leases which is \$5,202,610 above the final amended budget of \$61,058,728. The variance between the actual and final budget was due to non-budget on-behalf payments of \$4,744,899 for TPAF pension and Social Security reimbursements, \$1,967,725 for capital lease non-budgeted, and \$1,510,014 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$65,063,251 and total expenditures and transfers of \$66,261,338 with an ending fund balance of \$6,075,264 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$1,671,663. That amount is \$236,834 below the final amended budget of \$1,908,497. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,671,663, which is \$236,834 below the final amended budget of \$1,908,497. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014 the School District had \$51,938,672 invested in sites, buildings, equipment and construction in progress. Of this amount \$27,030,502 in depreciation has been taken over the years. We currently have a net book value of \$24,908,170. Total additions for the year were \$7,241,407, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2014 balances compared to 2013.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and Construction in Progress	\$9,566,661	\$8,400,946			\$9,566,661	\$8,400,946
Site Improvements	503,945	573,610			503,945	573,610
Buildings and Building Improvements	14,406,482	9,158,312			14,406,482	9,158,312
Machinery and Equipment	<u>365,142</u>	<u>449,776</u>	<u>\$65,940</u>	<u>\$92,772</u>	<u>431,082</u>	<u>542,548</u>
	<u>\$24,842,230</u>	<u>\$18,582,644</u>	<u>\$65,940</u>	<u>\$92,772</u>	<u>\$24,908,170</u>	<u>\$18,675,416</u>

Debt Administration

At June 30, 2014, the District had \$24,999,803 of outstanding debt. Of this amount, \$5,736,415 is for compensated absences; \$2,248,388 is for obligations under capital leases; and \$17,015,000 of serial bonds for school improvements.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (continued)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2014-2015 school year that is greater than the level of the 2013-2014 school year.

These factors were considered in preparing the Borough of Fort Lee School District's budgets for the 2014-2015 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Fort Lee School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

David Rinderknecht
Interim School Business Administrator/Board Secretary
Borough of Fort Lee School District
2175 Lemoine Avenue, 6th Floor
Fort Lee, NJ 07024

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	12,969,933	438,115	13,408,048
Receivables, net	6,157,712	48,928	6,206,640
Internal Balances	(3,945)	3,945	
Inventory		5,171	5,171
Prepaid Rent	20,230		20,230
Prepaid Expenses	152,207		152,207
Restricted assets:			
Capital reserve account - cash	2,044,628		2,044,628
Emergency reserve account - cash	250,000		250,000
Capital Assets:			
Land and construction in progress	9,566,661		9,566,661
Depreciable Buildings, Improvements and Equipment (net)	15,275,569	65,940	15,341,509
Total Assets	<u>46,432,995</u>	<u>562,099</u>	<u>46,995,094</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	340,537		340,537
Total Deferred Outflows	<u>340,537</u>		<u>340,537</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,985,437	117,703	2,103,140
Interfunds Payable			-
Payable to state government	36,743		36,743
Payable to local government	7,207		7,207
Prepaid revenue		17,963	17,963
Unearned revenue	6,971		6,971
Noncurrent liabilities:			
Due within one year	733,868		733,868
Due beyond one year	24,265,935		24,265,935
Total liabilities	<u>27,036,161</u>	<u>135,666</u>	<u>27,171,827</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	1,924,537		1,924,537
Total Deferred Inflows	<u>1,924,537</u>		<u>1,924,537</u>
NET POSITION			
Net Investment in Capital Assets	3,994,842	65,940	4,060,782
Restricted for:			
Debt service	78,838		78,838
Capital projects	15,642,294		15,642,294
Other purposes	2,330,680		2,330,680
Unrestricted (Deficit)	(4,233,820)	360,493	(3,873,327)
Total net position	<u>17,812,834</u>	<u>426,433</u>	<u>18,239,267</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	18,564,851	5,250,378			(23,815,229)		(23,815,229)
Special education	4,191,760	889,371		1,297,496	(3,783,635)		(3,783,635)
Other special instruction	2,049,705	631,093			(2,680,798)		(2,680,798)
Other instruction	1,070,951	242,694			(1,313,645)		(1,313,645)
Support services:							
Tuition	3,496,240				(3,496,240)		(3,496,240)
Student & instruction related services	7,390,300	1,688,527		377,521	(8,701,306)		(8,701,306)
School administrative services	2,295,528	692,012			(2,987,540)		(2,987,540)
General administrative services	1,417,870	173,913			(1,591,783)		(1,591,783)
Central services and administrative information technology	889,545	224,332			(1,113,877)		(1,113,877)
Plant operations and maintenance	4,709,092	449,690			(5,158,782)		(5,158,782)
Pupil transportation	1,518,564	97,453			(1,616,017)		(1,616,017)
Unallocated benefits	4,118,192				(4,118,192)		(4,118,192)
Capital outlay	3,378,021				(3,378,021)		(3,378,021)
Interest on long-term debt	699,444				(699,444)		(699,444)
Unallocated depreciation	982,630				(982,630)		(982,630)
Amortization	(198,000)				198,000		198,000
Total governmental activities	56,574,693	10,339,463	-	1,675,017	(65,239,139)	-	(65,239,139)
Business-type activities:							
Food Service	1,246,312		836,704	437,334		27,726	27,726
Lunchkey	255,711		183			(255,528)	(255,528)
Total business-type activities	1,502,023		836,887	437,334		(227,802)	(227,802)
Total primary government	58,076,716		836,887	2,112,351	(65,239,139)		(65,466,941)
General revenues:							
Taxes:							
Levied for general purposes					53,321,293		53,321,293
Taxes levied for debt service					1,352,100		1,352,100
Federal and State aid not restricted					7,654,476		7,654,476
State aid - Capital Outlay Facilities Grant					2,193,768		2,193,768
Cancellation Capital Outlay to Capital Reserve					1,397,566		1,397,566
Investment Earnings					3,978	43	4,021
Miscellaneous Income					567,332		567,332
Total general revenues, special items, extraordinary items and transfers					66,490,513	43	66,490,556
Change in Net Position					1,251,374	(227,759)	1,023,615
Net Position—beginning					16,561,460	654,192	17,215,652
Net Position—ending					17,812,834	426,433	18,239,267

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	2,793,612		10,097,483	78,838	12,969,933
Accounts Receivable -					
Interfunds	452,927				452,927
Intergovernmental - Federal		553,147			553,147
Intergovernmental - State	1,027,930		4,550,418		5,578,348
Other receivables	26				26
Prepaid Expenses	152,207				152,207
Prepaid Rent	20,230				20,230
Restricted cash and cash equivalents					
Capital reserve	2,044,628				2,044,628
Emergency reserve	250,000				250,000
Total assets	6,741,560	553,147	14,647,901	78,838	22,021,446
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	576,822	98,281	1,033,711		1,708,814
Intergovernmental accounts payable - State		36,743			36,743
Intergovernmental accounts payable - Local	7,207				7,207
Accrued salaries & benefits	213,692				213,692
Interfund payables	1,639	412,518	16,524		430,681
Unearned revenue	1,366	5,605			6,971
Total liabilities	800,726	553,147	1,050,235	-	2,404,108
Fund Balances:					
Restricted for:					
Excess Surplus - current year					-
Excess Surplus - prior year - designated for					
subsequent year's expenditures	180,990				180,990
Capital reserve account	2,044,628				2,044,628
Emergency reserve account	250,000				250,000
Assigned to:					
Year-end Encumbrances	1,331,021				1,331,021
Designated by the BOE for					
subsequent year's expenditures	568,669				568,669
Capital projects fund			13,597,666		13,597,666
Debt service fund				78,838	78,838
Unassigned:					
General Fund	1,565,526				1,565,526
Total Fund balances	5,940,834	-	13,597,666	78,838	19,617,338
Total liabilities and fund balances	6,741,560	553,147	14,647,901	78,838	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,542,024 and the accumulated depreciation is \$26,699,794

24,842,230

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds

(62,931)

Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$2,405,671 and accumulated amortization is \$481,134

(1,924,537)

Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$425,671 and accumulated amortization is \$85,134

340,537

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(24,999,803)

Net position of governmental activities

17,812,834

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Municipal tax levy	53,321,293			1,352,100	54,673,393
Interest Earned on Capital Reserve Funds	1,770		2,208		3,978
Miscellaneous	567,332				567,332
Total - Local Sources	53,890,395	-	2,208	1,352,100	55,244,703
State sources	7,654,476	83,693	2,193,768		9,931,937
Federal sources		1,591,324			1,591,324
Total revenues	61,544,871	1,675,017	2,195,976	1,352,100	66,767,964
EXPENDITURES					
Current:					
Regular instruction	18,639,107				18,639,107
Special education instruction	2,894,264	1,297,496			4,191,760
Other special instruction	2,049,705				2,049,705
School sponsored/other instructional	1,070,951				1,070,951
Support services and undistributed costs:					
Tuition	3,496,240				3,496,240
Attendance and social work services	187,170				187,170
Health services	545,434				545,434
Student & instruction related services	6,280,175	377,521			6,657,696
School administrative services	2,295,528				2,295,528
General administrative services	1,417,870				1,417,870
Central services & administrative information technology	889,545				889,545
Plant operations and maintenance	4,709,092				4,709,092
Pupil transportation	1,573,249				1,573,249
Unallocated benefits	10,339,463				10,339,463
On-behalf contributions	4,744,899				4,744,899
Debt service:					
Principal				655,000	655,000
Interest and other charges				697,100	697,100
Capital outlay	5,128,646		5,491,591		10,620,237
Total expenditures	66,261,338	1,675,017	5,491,591	1,352,100	74,780,046
Excess (Deficiency) of revenues	(4,716,467)	-	(3,295,615)	-	(8,012,082)
OTHER FINANCING SOURCES (USES)					
Transfers in	154,826			2,208	157,034
Transfers out			(157,034)		(157,034)
Cancellation of Capital Outlay to Capital Reserve	1,397,566				1,397,566
Capital Leases (non-budget)	1,967,725				1,967,725
Total other financing sources and uses	3,520,117	-	(157,034)	2,208	3,365,291
Net change in fund balances	(1,196,350)	-	(3,452,649)	2,208	(4,646,791)
Fund balance—July 1	7,137,184		17,050,315	76,630	24,264,129
Fund balance—June 30	5,940,834	-	13,597,666	78,838	19,617,338

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2) (4,646,791)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(982,630)	
Net Transfer from Proprietary Funds	4,804	
Depreciable Capital outlays	<u>7,237,412</u>	
		6,259,586

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

General Serial Bonds	655,000	
Capital Lease Obligations	<u>128,941</u>	
		783,941

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Capital lease proceeds (1,967,725)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

General Bond Obligations - Prior Year	58,638	
General Bond Obligations	(57,546)	
General Capital Lease Obligations - Prior Year	1,949	
General Capital Lease Obligations	<u>(5,385)</u>	
		(2,344)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable	626,707
--	---------

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)

240,567

The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)

(42,567)

Change in net position of governmental activities

1,251,374

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	438,115	438,115
Accounts receivable:		
State	1,510	1,510
Federal	22,820	22,820
Other	24,598	24,598
Interfund accounts receivable	3,945	3,945
Inventories	5,171	5,171
Total current assets	<u>496,159</u>	<u>496,159</u>
Noncurrent assets:		
Capital assets:		
Equipment	396,648	396,648
Less accumulated depreciation	<u>(330,708)</u>	<u>(330,708)</u>
Total capital assets (net of accumulated depreciation)	<u>65,940</u>	<u>65,940</u>
Total assets	<u>562,099</u>	<u>562,099</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	117,703	117,703
Prepaid Revenue	<u>17,963</u>	<u>17,963</u>
Total Liabilities	<u>135,666</u>	<u>135,666</u>
NET POSITION		
Net investment in capital assets	65,940	65,940
Unrestricted	<u>360,493</u>	<u>360,493</u>
Total net position	<u>426,433</u>	<u>426,433</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund		
	Food Service Program	Latchkey Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	496,787	-	496,787
Daily sales - non-reimbursable programs	303,556	-	303,556
Daily sales - other	36,361	-	36,361
Program Fees	-	183	183
Total operating revenues	836,704	183	836,887
Operating expenses:			
Cost of food	402,571	-	402,571
Salaries	454,273	-	454,273
Supplies and materials	34,490	-	34,490
Employee benefits	140,247	-	140,247
Depreciation	12,711	-	12,711
Repairs and other expenses	81,810	-	81,810
Purchased services	120,210	-	120,210
Total Operating Expenses	1,246,312	-	1,246,312
Operating income (loss)	(409,608)	183	(409,425)
Nonoperating revenues (expenses):			
State sources:			
School lunch program	12,830		12,830
Federal sources:			
School lunch program	320,743		320,743
School breakfast program	22,785		22,785
U.S.D.A. Commodities	80,976		80,976
Interest on investments	43		43
Total nonoperating revenues (expenses)	437,377	-	437,377
Income (loss) before contributions & transfers	27,769	183	27,952
Other financing sources/(uses):			
Transfer of Capital Assets		(25,994)	(25,994)
Transfer of Accumulated Depreciation		21,189	21,189
Transfer of accumulated depreciation		(250,906)	(250,906)
Change in net position	27,769	(255,528)	(227,759)
Total net position—beginning	398,664	255,528	654,192
Total net position—ending	426,433	-	426,433

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund		
	Food Service Program	Latchkey Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	818,451	1,105	819,556
Payments to suppliers	(1,042,418)	(14,310)	(1,056,728)
Net cash provided by (used for) operating activities	(223,967)	(13,205)	(237,172)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	13,166		13,166
Federal Sources	348,094		348,094
Net cash provided by (used for) non-capital financing activities	361,260	-	361,260
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(3,995)		(3,995)
Net cash used for capital and related financing activities	(3,995)	-	(3,995)
CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES			
Interest on investments	43		43
Close Out of Program		(250,906)	(250,906)
Net cash used for investment and related financing activities	43	(250,906)	(250,863)
Net increase (decrease) in cash and cash equivalents	133,341	(264,111)	(130,770)
Balances—beginning of year	304,774	264,111	568,885
Balances—end of year	438,115	-	438,115
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(409,608)	183	(409,425)
Adjustments to reconcile operating income (loss) to net cash provided by			
Depreciation and net amortization	12,711	-	12,711
Food distribution program	80,976	-	80,976
(Increase) decrease in accounts receivable	(24,598)	667	(23,931)
(Increase) decrease in interfunds receivable	5,185	-	5,185
Increase (decrease) in interfunds payable	-	(5,984)	(5,984)
(Increase) decrease in inventories	21,945	-	21,945
Increase (decrease) in prepaid revenue	1,161	-	1,161
Increase (decrease) in accounts payable	88,261	(8,071)	80,190
Total adjustments	185,641	(13,388)	172,253
Net cash provided by (used for) operating activities	(223,967)	(13,205)	(237,172)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	31,886	373,575	385,521
Miscellaneous receivables			255
Interfund receivables		11,985	
Total assets	<u>31,886</u>	<u>385,560</u>	<u>385,776</u>
LIABILITIES			
Accounts payable			289,196
Interfund payable			38,176
Payable to student groups			58,404
Due to State of NJ - Unemployment		8,219	
Total liabilities	<u>-</u>	<u>8,219</u>	<u>385,776</u>
NET POSITION			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		<u>377,341</u>	
Reserved for scholarships	<u>26,886</u>		
	<u>31,886</u>		

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2014

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions:		
Donations	4,930	
Payroll withholdings		49,392
Total Contributions	<u>4,930</u>	<u>49,392</u>
Investment earnings:		
Interest		246
Net investment earnings	-	246
Total additions	<u>4,930</u>	<u>49,638</u>
DEDUCTIONS		
Quarterly contribution reports		109,341
Scholarships awarded	7,500	
Total deductions	<u>7,500</u>	<u>109,341</u>
OTHER CHANGES TO FIDUCIARY NET POSITION		
Change in net position	(2,570)	(59,703)
Net position—beginning of the year	34,456	437,044
Net position—end of the year	<u>31,886</u>	<u>377,341</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education ("Board") of the Borough of Fort Lee School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Fort Lee School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members, all elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Fort Lee School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund and Latchkey Program Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education amended the general fund by \$608,747 for prior year unanticipated extraordinary aid.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

P. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

S. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were not allocated. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Recent Accounting Pronouncements:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$0- of the District's bank balance of \$18,113,772 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 4. RECEIVABLES:

Receivables at June 30, 2014, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	\$452,927	\$3,945	\$26,191
State Aid	5,578,348	1,510	5,579,858
Federal Aid	553,147	22,820	575,967
Other	<u>26</u>	<u>24,598</u>	<u>24,624</u>
Gross Receivables	6,584,448	52,873	6,206,640
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$6,584,448</u>	<u>\$52,873</u>	<u>\$6,206,640</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2014 consist of the following:

\$26,191	Due to the General Fund from the Fiduciary Funds for interest earnings and expense reimbursements.
410,212	Due to the General Fund from the Special Revenue Fund to cover deficit in cash and expense reimbursement.
16,524	Due to the General Fund from the Capital Projects Fund for expense reimbursement.
11,985	Due to the Unemployment Account from the Payroll Agency Funds for employee deductions.
2,306	Due to the Cafeteria Fund from the Special Revenue Fund for expense reimbursement.
<u>1,639</u>	Due to the Cafeteria Fund from the General Fund for expense reimbursement.
<u>\$468,857</u>	

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$2,509,321	\$		\$2,509,321
Construction in progress	<u>5,891,625</u>	<u>5,491,592</u>	<u>(4,325,877)</u>	<u>7,057,340</u>
Total capital assets not being depreciated	<u>8,400,946</u>	<u>5,491,592</u>	<u>(4,325,877)</u>	<u>9,566,661</u>
Site Improvements	1,825,125			1,825,125
Building and improvements	30,946,912	1,718,504	4,325,877	36,991,293
Machinery and equipment	<u>3,105,635</u>	<u>27,316</u>	<u>25,994</u>	<u>3,158,945</u>
Totals at historical cost	<u>35,877,672</u>	<u>1,745,820</u>	<u>4,351,871</u>	<u>41,975,363</u>
Less accumulated depreciation for:				
Site Improvements	(1,251,515)	(69,665)		(1,321,180)
Buildings and improvements	(21,788,600)	(796,211)		(22,584,811)
Equipment	<u>(2,655,859)</u>	<u>(116,754)</u>	<u>(21,190)</u>	<u>(2,793,803)</u>
Total accumulated depreciation	<u>(25,695,974)</u>	<u>(982,630)</u>	<u>(21,190)</u>	<u>(26,699,794)</u>
Total capital assets being depreciated, net of accumulation	<u>10,181,698</u>	<u>763,190</u>	<u>4,330,681</u>	<u>15,275,569</u>
Governmental activities capital assets, net	<u>18,582,644</u>	<u>6,254,782</u>	<u>4,804</u>	<u>24,842,230</u>
Business-type activities:				
Equipment	418,647	3,995	(25,994)	396,648
Less accumulated depreciation for:				
Equipment	<u>(339,187)</u>	<u>(12,711)</u>	<u>21,190</u>	<u>(373,088)</u>
Business-type activities capital assets, net	<u>\$79,460</u>	<u>(\$8,716)</u>	<u>(4,804)</u>	<u>\$65,940</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	(\$982,630)
Direct expense of various functions	-0-
Total depreciation expense	<u>(\$982,630)</u>

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the fiscal year ended June 30, 2014 were as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	<u>\$17,670,000</u>	<u>\$</u>	<u>\$(655,000)</u>	<u>\$17,015,000</u>	<u>\$665,000</u>
Total Bonds Payable	<u>17,670,000</u>		<u>(655,000)</u>	<u>17,015,000</u>	<u>665,000</u>
Other Liabilities:					
Obligations Under Capital Lease	<u>409,604</u>	<u>1,967,725</u>	<u>(128,941)</u>	<u>2,248,388</u>	<u>68,868</u>
Compensated Absences Payable	<u>6,363,122</u>	<u>112,384</u>	<u>(739,091)</u>	<u>5,736,415</u>	
Total Other Liabilities	<u>6,772,726</u>	<u>2,080,109</u>	<u>(868,032)</u>	<u>7,984,803</u>	<u>68,868</u>
	<u>\$24,442,726</u>	<u>\$2,080,109</u>	<u>(\$1,523,032)</u>	<u>\$24,999,803</u>	<u>\$733,868</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2014 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Dat of Maturity</u>	<u>Principal Balance June 30, 2014</u>
BCIA Improvement Bonds	8/7/2012	2.00%-5.00%	11/1/2031	<u>\$17,015,000</u>

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$1,345,575	\$665,000	\$680,575
2016	1,345,325	685,000	660,325
2017	1,344,475	705,000	639,475
2018	1,344,300	730,000	614,300
2019	1,344,500	760,000	584,500
2020-2024	6,695,250	4,290,000	2,405,250
2025-2029	6,714,250	5,395,000	1,319,250
2030-2032	<u>4,015,700</u>	<u>3,785,000</u>	<u>230,700</u>
	<u>\$24,149,375</u>	<u>\$17,015,000</u>	<u>\$7,134,375</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2014 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District is leasing various equipment and a 54 passenger bus under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2014:

<u>Year Ending</u> <u>June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$88,624	\$68,868	\$19,756
2016	521,780	489,130	32,650
2017	525,116	500,406	24,710
2018	528,528	511,943	16,585
2019	457,765	449,494	8,271
2020	<u>230,216</u>	<u>228,547</u>	<u>1,669</u>
	<u>\$2,352,029</u>	<u>\$2,248,388</u>	<u>\$103,641</u>

Total minimum lease payments	\$2,352,029
Less: Amount representing interest	<u>(103,641)</u>
Present value of lease payments	<u>\$2,248,388</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 8. OPERATING LEASES:

The District is leasing certain office equipment and office space under operating leases that expire from 2013 through 2018 and computer equipment that expire in 2014. Total operating lease payments made during the year ended June 30, 2014 were \$295,624. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$255,620
2016	201,977
2017	119,176
2018	<u>15,940</u>
	<u>\$592,713</u>

NOTE 9. PENSION PLANS:

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 9. PENSION PLANS: (continued)

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<u>Year Ending</u>	
6/30/14	\$539,873
6/30/13	493,542
6/30/12	575,547

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/14	\$985,815	\$1,759,038	\$87,015
6/30/13	1,607,674	1,913,519	84,586
6/30/12	711,290	1,583,324	76,331

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 9. PENSION PLANS: (continued)

During the year ended June 30, 2014, the State of New Jersey contributed \$2,831,868 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,913,031 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

The District made contributions for the fiscal years ended June 30, 2014, 2013 and 2012 of \$7,493, \$8,374 and \$8,501, respectively.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 10. POST-EMPLOYMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

NOTE 11. DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable
MetLife

VALIC
Financial Resources

NOTE 12. RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 12. RISK MANAGEMENT: (continued)

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$246	\$49,392	\$109,341	\$377,341
2012-2013	336	47,978	70,676	437,044
2011-2012		45,322	327,784	459,406

NOTE 13. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Borough of Fort Lee Board of Education by inclusion of \$960,000 in the 1999 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$2,044,628 in the capital reserve account at June 30, 2014.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$2,990,466
Increased by:	
Interest Earnings	1,770
Unexpended Balance from Capital Projects Fund	154,826
Unexpended Budget Appropriations	<u>1,397,566</u>
	4,544,628
Decreased by:	
Budget Appropriations	<u>2,500,000</u>
Ending balance, June 30, 2014	<u>\$2,044,628</u>

NOTE 14. EMERGENCY RESERVE ACCOUNT:

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	<u>\$250,000</u>
Ending balance, June 30, 2014	<u>\$250,000</u>

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$5,940,834 General Fund fund balance at June 30, 2014, \$1,331,021 is reserved for encumbrances; \$180,990 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$180,990 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$2,044,628 has been reserved in the Capital Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$568,669 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$1,565,526 is unreserved and undesignated.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 16. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$180,990 of which \$-0- is the result of current year operations.

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$394
Supplies	<u>4,777</u>
	<u>\$5,171</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. CONTINGENT LIABILITIES:

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 19. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 14, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	53,321,293		53,321,293	53,321,293	
Interest Earned on Capital Reserve Funds	50		50	1,770	1,720
Unrestricted Miscellaneous Revenues	126,100		126,100	567,332	441,232
Total - Local Sources	53,447,443		53,447,443	53,890,395	442,952
Revenues from State Sources:					
Categorical Special Education Aid	1,797,805		1,797,805	1,797,805	
Categorical Security Aid	91,765		91,765	91,765	
Categorical Transportation Aid	79,344		79,344	79,344	
Extraordinary Aid	400,000		400,000	907,741	507,741
Non-Public Transportation Aid				31,185	31,185
On-behalf TPAF Post-Retirement Medical (non-budgeted)				1,759,038	1,759,038
On-behalf TPAF Pension and NCGI Premium (non-budgeted)				1,072,830	1,072,830
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,913,031	1,913,031
Total - State Sources	2,368,914		2,368,914	7,652,739	5,283,825
Revenues from Federal Sources:					
Special Education Medicaid Initiative	32,063		32,063		(32,063)
Total - Federal Sources	32,063		32,063		(32,063)
TOTAL REVENUES	55,848,420		55,848,420	61,543,134	5,694,714
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	1,300,424	81,821	1,382,245	1,326,432	55,813
Grades 1-5 - Salaries of Teachers	6,105,307	915,997	7,021,304	6,739,491	281,813
Grades 6-8 - Salaries of Teachers	3,542,140	201,495	3,743,635	3,602,402	141,233
Grades 9-12 - Salaries of Teachers	4,712,300	10,177	4,722,477	4,552,773	169,704
Regular Programs - Home Instruction:					
Salaries of Teachers	90,000	34,380	124,380	124,375	5
Purchased Professional-Educational Services	27,000	(19,000)	8,000	7,945	55
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	169,942	527,755	697,697	674,723	22,974
Purchased Professional - Educational Services	2,000	10,600	12,600	12,570	30
Purchased Technical Services	34,500	800	35,300	34,785	515
Other Purchased Services (400-500 series)	380,089	(121,153)	258,936	254,908	4,028
General Supplies	640,050	54,852	694,902	675,782	19,120
Textbooks	900,434	(288,600)	611,834	609,202	2,632
Other Objects	22,570	1,679	24,249	23,719	530
TOTAL REGULAR PROGRAMS - INSTRUCTION	17,926,756	1,410,803	19,337,559	18,639,107	698,452
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	2,004,324	(1,730,862)	273,462	264,299	9,163
Other Salaries for Instruction	570,342	(313,377)	256,965	250,400	6,565
General Supplies	12,300	(10,800)	1,500	1,106	394
Total Learning and/or Language Disabilities	2,586,966	(2,055,039)	531,927	515,805	16,122
Resource Room/Resource Center:					
Salaries of Teachers	606,750	846,020	1,452,770	1,402,251	50,519
Other Salaries for Instruction	44,555	(29,275)	15,280	14,525	755
General Supplies	1,200	3,500	4,700	4,213	487
Total Resource Room/Resource Center	652,505	820,245	1,472,750	1,420,989	51,761
Autism					
Salaries of Teachers	316,015	(88,530)	227,485	221,017	6,468
Other Salaries for Instruction	295,497	14,373	309,870	301,067	8,803
General Supplies	1,471	2,600	4,071	4,022	49
Total Autism	612,983	(71,557)	541,426	526,106	15,320
Preschool Disabilities- Full-Time:					
Salaries of Teachers	122,200	105,660	227,860	221,210	6,650
Other Salaries for Instruction	95,665	119,100	214,765	208,316	6,449
General Supplies	2,100		2,100	1,838	262
Total Preschool Disabilities - Full-Time	219,965	224,760	444,725	431,364	13,361
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,072,419	(1,081,591)	2,990,828	2,894,264	96,564
Basic Skills/Remedial - Instruction					
Salaries of Teachers	856,414	(86,699)	769,715	746,966	22,749
General Supplies	2,500	(2,000)	500		500
Total Basic Skills/Remedial - Instruction	858,914	(88,699)	770,215	746,966	23,249

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,181,712	155,989	1,337,701	1,298,804	38,897
Other Purchased Services (400-500 series)	200	(100)	100	53	47
General Supplies	3,000	1,000	4,000	3,882	118
Total Bilingual Education - Instruction	<u>1,184,912</u>	<u>156,889</u>	<u>1,341,801</u>	<u>1,302,739</u>	<u>39,062</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	285,336	(46,547)	238,789	230,895	7,894
Purchased Services (300-500 series)	12,060	5,500	17,560	16,168	1,392
Supplies and Materials	120,944	8,906	129,850	74,284	55,566
Other Objects	30,880	(13,200)	17,680	17,286	394
Total School-Sponsored Cocurricular Activities - Instruction	<u>449,220</u>	<u>(45,341)</u>	<u>403,879</u>	<u>338,633</u>	<u>65,246</u>
School-Sponsored Athletics - Instruction					
Salaries	402,634	5,442	408,076	396,277	11,799
Purchased Services (300-500 series)	62,400	(17,859)	44,541	39,003	5,538
Supplies and Materials	110,865	(2,500)	108,365	107,487	878
Other Objects	23,720	6,300	30,020	29,977	43
Total School-Sponsored Athletics - Instruction	<u>599,619</u>	<u>(8,617)</u>	<u>591,002</u>	<u>572,744</u>	<u>18,258</u>
Before/After School Programs - Instruction					
Salaries		8,000	8,000	7,660	340
Total Before/After School Programs - Instruction		<u>8,000</u>	<u>8,000</u>	<u>7,660</u>	<u>340</u>
Summer School - Instruction					
Salaries		103,606	103,606	100,492	3,114
Other Salaries for Instruction		53,011	53,011	51,422	1,589
Total Summer School - Instruction		<u>156,617</u>	<u>156,617</u>	<u>151,914</u>	<u>4,703</u>
TOTAL INSTRUCTION	<u>25,091,840</u>	<u>508,061</u>	<u>25,599,901</u>	<u>24,654,027</u>	<u>945,874</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	851,989	158,726	1,010,715	1,010,714	1
Tuition to County Voc. School Dist. - Regular	487,200	95,294	582,494	582,493	1
Tuition to County Voc. School Dist. - Special	78,300	(78,300)			
Tuition to CSSD & Regional Day Schools	756,540	(23,702)	732,838	732,838	
Tuition to Private Schools for the Handicapped - Within State	1,056,040	114,156	1,170,196	1,170,195	1
Tuition to Priv. Scho. Disabled & Other LEAs - Spl, O/S State	50,000	(19,196)	30,804		30,804
Total Undistributed Expenditures - Instruction:	<u>3,280,069</u>	<u>246,978</u>	<u>3,527,047</u>	<u>3,496,240</u>	<u>30,807</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	89,219	(2,890)	86,329	86,288	41
Salaries of Family Support Teams	105,000	(41,190)	63,810	61,937	1,873
Purchased Professional and Technical Services	37,000	100	37,100	37,060	40
Supplies and Materials	1,000	900	1,900	1,885	15
Total Undistributed Expend. - Attend. & Social Work	<u>232,219</u>	<u>(43,080)</u>	<u>189,139</u>	<u>187,170</u>	<u>1,969</u>
Undist. Expend. - Health Services					
Salaries	476,929	39,986	516,915	501,995	14,920
Purchased Professional and Technical Services	52,250	(16,280)	35,970	35,657	313
Supplies and Materials	13,820	(5,400)	8,420	7,782	638
Total Undistributed Expenditures - Health Services	<u>542,999</u>	<u>18,306</u>	<u>561,305</u>	<u>545,434</u>	<u>15,871</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	733,523	(90,218)	643,305	614,823	28,482
Purchased Prof. Services-Educational Services	693,000	286,053	979,053	976,658	2,395
Supplies and Materials	6,000	(1,700)	4,300	3,899	401
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>1,432,523</u>	<u>194,135</u>	<u>1,626,658</u>	<u>1,595,380</u>	<u>31,278</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Salaries	1,126,831	(385,866)	740,965	712,219	28,746
Purchased Prof. Services-Educational Services	327,900	173,080	500,980	498,999	1,981
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	<u>1,454,731</u>	<u>(212,786)</u>	<u>1,241,945</u>	<u>1,211,218</u>	<u>30,727</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	924,399	51,876	976,275	948,032	28,243
Salaries of Secretarial and Clerical Assistants	101,628	480	102,108	99,128	2,980
Purchased Prof. Services-Educational Services	98,500	(5,850)	92,650	92,578	72
Supplies and Materials	9,500	40	9,540	9,213	327
Other Objects	1,800	(395)	1,405	1,405	
Total Undist. Expend. - Guidance	<u>1,135,827</u>	<u>46,151</u>	<u>1,181,978</u>	<u>1,150,356</u>	<u>31,622</u>
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	1,015,222	(11,426)	1,003,796	974,489	29,307
Salaries of Secretarial and Clerical Assistants	154,906	(3,013)	151,893	147,460	4,433
Other Purchased Professional and Technical Services	6,500	(250)	6,250	6,208	42
Misc. Pur Services (400-500 Series)	1,500	250	1,750	1,732	18
Supplies and Materials	22,000	(6,616)	15,384	15,251	133
Total Undist. Expend. - Other Supp. Serv. Students-Special	<u>1,200,128</u>	<u>(21,055)</u>	<u>1,179,073</u>	<u>1,145,140</u>	<u>33,933</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	409,588	(57,433)	352,155	352,155	
Salaries of Other Professional Staff	62,000	2,200	64,200	64,161	39
Purchased Prof-Ed Services	52,980	(10,000)	42,980	4,590	38,390
Other Purch Services (400-500)		500	500	346	154
Supplies and Materials	5,000	(1,900)	3,100	3,042	58
Other Objects	4,000	(3,000)	1,000	935	65
Total Undist. Expend. - Improvement of Inst. Services	533,568	(69,633)	463,935	425,229	38,706
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	424,400	32,915	457,315	444,251	13,064
Salaries of Technology Coordinators	178,365	(75,245)	103,120	103,120	
Purchased Professional and Technical Services	30,500	(11,670)	18,830	18,483	347
Supplies and Materials	89,798	(24,339)	65,459	62,914	2,545
Other Objects		3,000	3,000	3,000	
Total Undist. Expend. - Educational Media Serv./Sch. Library	723,063	(75,339)	647,724	631,768	15,956
Undist. Expend. - Instructional Staff Training Serv.					
Salaries-Other Prof. Staff	58,200	2,000	60,200	56,200	4,000
Purchased Professional - Educational Services	31,355	(6,618)	24,737	24,602	135
Other Purchased Services (400-500 series)	42,699	(38,244)	4,455	3,386	1,069
Supplies and Materials	50,000	(13,100)	36,900	36,896	4
Total Undist. Expend. - Instructional Staff Training Serv.	182,254	(55,962)	126,292	121,084	5,208
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	695,623	(131,270)	564,353	563,776	577
Legal Services	220,000	62,000	282,000	245,196	36,804
Audit Fees	74,750	500	75,250	37,500	37,750
Architectural/Engineering Services	40,000	73,800	113,800	43,521	70,279
Other Purchased Professional Services	25,000	6,000	31,000	27,944	3,056
Purchased Technical Services		28,000	28,000	27,804	196
Communications/Telephone	175,481	(23,648)	151,833	146,403	5,430
BOE Other Purchased Services	3,500	578	4,078	4,045	33
Other Purch Services (400-500 Series)	215,370	(23,578)	191,792	189,722	2,070
General Supplies	25,000	21,000	46,000	45,652	348
BOE In-House Training/Meeting Supplies	750		750	537	213
Judgements against the School District		41,450	41,450	41,450	
Misc. Expenditures	18,000	2,800	20,800	20,380	420
BOE Membership Dues and Fees	28,000	(3,500)	24,500	23,940	560
Total Undist. Expend. - Supp. Serv. - General Administration	1,521,474	54,132	1,575,606	1,417,870	157,736
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,298,151	397,849	1,696,000	1,695,619	381
Salaries of Other Professional Staff	275,258	(275,258)			
Salaries of Secretarial and Clerical Assistants	477,268	86,987	564,255	547,685	16,570
Other Purchased Services (400-500 series)	6,450	(600)	5,850	4,816	1,034
Supplies and Materials	40,492	(2,525)	37,967	32,293	5,674
Other Objects	15,050	2,100	17,150	15,115	2,035
Total Undist. Expend. - Support Serv. - School Administration	2,112,669	208,553	2,321,222	2,295,528	25,694
Undist. Expend. - Support Serv. - Central Services					
Salaries	536,007	60,518	596,525	595,579	946
Purchased Professional Services	27,700		27,700	26,823	877
Purchased Technical Services	18,995	(4,335)	14,660	14,010	650
Misc. Pur Services (400-500 Series)	7,400	2,585	9,985	9,862	123
Supplies and Materials	12,000	(1,630)	10,370	10,359	11
Misc. Expenditures	8,000	(3,720)	4,280	3,916	364
Total Undist. Expend. - Support Serv. - Central Services	610,102	53,418	663,520	660,549	2,971
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	60,346	71,485	131,831	131,640	191
Purchased Technical Services	41,000	1,000	42,000	41,914	86
Other Purchased Services (400-500 series)	2,900	(1,603)	1,297	1,280	17
Supplies and Materials	43,171	11,000	54,171	53,637	534
Other Objects		600	600	525	75
Total Undist. Expend. - Support Serv. - Administrative Information Technology	147,417	82,482	229,899	228,996	903
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	216,263	(28,282)	187,981	175,660	12,321
Cleaning, Repair and Maintenance Services	257,469	110,407	367,876	367,473	403
General Supplies	19,000	(12,900)	6,100	3,508	2,592
Other Objects	1,200		1,200	996	204
Undist. Expend. - Required Maint. for School Facilities	493,932	69,225	563,157	547,637	15,520

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,211,803	98,384	1,310,187	1,263,439	46,748
Purchased Prof. And Tech. Services	792,234	(772,934)	19,300	19,178	122
Cleaning, Repair and Maintenance Services	64,404	837,956	902,360	901,660	700
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	262,949	37,700	300,649	300,014	635
Other Purchased Property Services	82,000	(16,073)	65,927	64,973	954
Insurance	147,406	12,000	159,406	159,300	106
General Supplies	207,340	9,673	217,013	215,588	1,425
Energy (Natural Gas)	355,000	16,758	371,758	371,276	482
Energy (Energy and Electricity)	465,000	25,000	490,000	489,195	805
Energy (Gasoline)	23,000	(4,500)	18,500	17,543	957
Other Objects	4,205	100	4,305	3,705	600
Total Undist. Expend. - Other Oper. & Maint. Of Plant	3,615,341	244,064	3,859,405	3,805,871	53,534
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries	20,000	500	20,500	18,667	1,833
Purchased Professional and Technical Services	71,000	(71,000)			
Cleaning, Repair and Maintenance Services	32,990	126,976	159,966	156,667	3,299
General Supplies	9,400	12,850	22,250	21,443	807
Total Undist. Expend. - Care & Upkeep of Grounds	133,390	69,326	202,716	196,777	5,939
Undist. Expend. - Security					
Purchased Professional and Technical Services	90,000	35,675	125,675	125,666	9
Cleaning, Repair and Maintenance Services	3,150	16,302	19,452	19,425	27
General Supplies	5,250	8,473	13,723	13,716	7
Total Undist. Expend. - Security	98,400	60,450	158,850	158,807	43
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	349,353	(33,400)	315,953	315,915	38
Cleaning, Repair and Maintenance Services		38,500	38,500	38,230	270
Lease Purchase Payments - School Buses	56,913		56,913	56,913	
Contract Services (Between Home & School)-Vendors	173,000	3,300	176,300	175,345	955
Contract Services (Other than Between Home & School)-Vendors	95,378	(17,550)	77,828	73,172	4,656
Contract Services (Sp. Ed. Students)-Vendors	695,000	51,100	746,100	745,647	453
Contract Services - Aid in lieu Pymts - Non Public Schools	150,000	(25,600)	124,400	123,977	423
Misc. Purchased Services - Transportation	1,500	(1,500)			
Transportation Supplies	80,000	(36,400)	43,600	43,442	158
Other Objects	1,000		1,000	608	392
Total Undist. Expend. - Student Transportation Services	1,602,144	(21,550)	1,580,594	1,573,249	7,345
ALLOCATED BENEFITS					
Regular Programs - Instruction					
Other Employee Benefits	1,093,477	(1,093,477)			
Total Regular Programs - Instruction	1,093,477	(1,093,477)			
Special Programs - Instruction					
Other Employee Benefits	55,826	(55,826)			
Total Special Programs - Instruction	55,826	(55,826)			
Health Services					
Other Employee Benefits	51,515	(51,515)			
Total Health Services	51,515	(51,515)			
Other Supp. Serv. - Guidance					
Other Employee Benefits	52,515	(52,515)			
Total Other Supp. Serv. - Guidance	52,515	(52,515)			
Educational Media Services - School Library					
Other Employee Benefits	51,515	(51,515)			
Total Educational Media Services - School Library	51,515	(51,515)			
Operation and Maintenance of Plant Service					
Other Employee Benefits	16,276	(16,276)			
Total Operation and Maintenance of Plant Service	16,276	(16,276)			
TOTAL ALLOCATED BENEFITS	1,321,124	(1,321,124)			
UNALLOCATED BENEFITS					
Social Security Contributions	600,000	16,000	616,000	605,913	10,087
Other Retirement Contributions-PERS	620,000	(135,159)	484,841	484,841	
Workmen's Compensation	215,700	(6,700)	209,000	208,939	61
Health Benefits	8,186,449	(99,505)	8,086,944	8,082,263	4,681
Tuition Reimbursements	85,000		85,000	85,000	
Other Employee Benefits	76,825	799,359	876,184	872,507	3,677
TOTAL UNALLOCATED BENEFITS	9,783,974	573,995	10,357,969	10,339,463	18,506
On-behalf TPAF Post-Retirement Medical (non-budgeted)				1,759,038	(1,759,038)
On-behalf TPAF Pension and NCGI Premium (non-budgeted)				1,072,830	(1,072,830)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,913,031	(1,913,031)
TOTAL ON-BEHALF CONTRIBUTIONS				4,744,899	(4,744,899)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	11,105,098	(747,129)	10,357,969	15,084,362	(4,726,393)

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>32,157,348</u>	<u>100,686</u>	<u>32,258,034</u>	<u>36,478,665</u>	<u>(4,220,631)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>57,249,188</u>	<u>608,747</u>	<u>57,857,935</u>	<u>61,132,692</u>	<u>(3,274,757)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Learning and/or Language Disabilities	<u>2,457</u>	<u>(2,457)</u>			
Total Equipment	<u>2,457</u>	<u>(2,457)</u>			
Undist. Expenditures:					
Undistributed Expenditures - Instruction	<u>56,339</u>	<u>(4,552)</u>	<u>51,787</u>	<u>40,311</u>	<u>11,476</u>
Undistributed Expenditures - Supp Serv. - Related & Extra.		<u>3,358</u>	<u>3,358</u>	<u>3,356</u>	<u>2</u>
Total Undist. Expend.	<u>56,339</u>	<u>(1,194)</u>	<u>55,145</u>	<u>43,667</u>	<u>11,478</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	<u>10,855</u>	<u>7,491</u>	<u>18,346</u>	<u>18,344</u>	<u>2</u>
Construction Services	<u>2,113,608</u>	<u>(3,840)</u>	<u>2,109,768</u>	<u>2,081,376</u>	<u>28,392</u>
Land and Improvements	<u>1,000,000</u>		<u>1,000,000</u>	<u>1,000,000</u>	
Assessment for Debt Service on SDA Funding	<u>17,534</u>		<u>17,534</u>	<u>17,534</u>	
Total Facilities Acquisition and Construction Services	<u>3,141,997</u>	<u>3,651</u>	<u>3,145,648</u>	<u>3,117,254</u>	<u>28,394</u>
Capital Leases (non-budgeted)					
Temporary Classroom Units				<u>1,967,725</u>	<u>(1,967,725)</u>
Total Capital Leases (non-budgeted)				<u>1,967,725</u>	<u>(1,967,725)</u>
TOTAL CAPITAL OUTLAY	<u>3,200,793</u>		<u>3,200,793</u>	<u>5,128,646</u>	<u>(1,927,853)</u>
TOTAL EXPENDITURES	<u>60,449,981</u>	<u>608,747</u>	<u>61,058,728</u>	<u>66,261,338</u>	<u>(5,202,610)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(4,601,561)</u>	<u>(608,747)</u>	<u>(5,210,308)</u>	<u>(4,718,204)</u>	<u>492,104</u>
Other Financing Sources/(Uses):					
Transfer In - Capital Projects				<u>154,826</u>	<u>(154,826)</u>
Cancellation Capital Outlay to Capital Reserve				<u>1,397,566</u>	<u>(1,397,566)</u>
Capital Lease (non-budgeted)				<u>1,967,725</u>	<u>(1,967,725)</u>
Total Other Financing Sources/(Uses):				<u>3,520,117</u>	<u>(3,520,117)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,601,561)</u>	<u>(608,747)</u>	<u>(5,210,308)</u>	<u>(1,198,087)</u>	<u>(3,028,013)</u>
Fund Balance, July 1	<u>7,273,351</u>		<u>7,273,351</u>	<u>7,273,351</u>	
Fund Balance, June 30	<u>2,671,790</u>	<u>(608,747)</u>	<u>2,063,043</u>	<u>6,075,264</u>	<u>(3,028,013)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	<u>(1,369,262)</u>		<u>(1,369,262)</u>	<u>(1,369,262)</u>	
Increase in Capital Reserve:					
Principal					
Cancellation of Capital Projects				<u>154,826</u>	<u>(154,826)</u>
Cancellation of Capital Outlay				<u>1,397,566</u>	<u>(1,397,566)</u>
Interest Deposit to Capital Reserve	<u>50</u>		<u>50</u>	<u>1,770</u>	<u>(1,720)</u>
Withdrawal from Capital Reserve	<u>(2,500,000)</u>		<u>(2,500,000)</u>	<u>(2,500,000)</u>	
Budgeted Fund Balance	<u>(732,349)</u>	<u>(608,747)</u>	<u>(1,341,096)</u>	<u>1,117,013</u>	<u>(1,473,901)</u>
	<u>(4,601,561)</u>	<u>(608,747)</u>	<u>(5,210,308)</u>	<u>(1,198,087)</u>	<u>(3,028,013)</u>
Recapitulation:					
Restricted Fund Balance:					
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				<u>180,990</u>	
Capital Reserve				<u>2,044,628</u>	
Emergency Reserve				<u>250,000</u>	
Assigned Fund Balance:					
Year-end Encumbrances				<u>1,331,021</u>	
Designated for Subsequent Year's Expenditures				<u>568,669</u>	
Unassigned Fund Balance				<u>1,699,956</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>6,075,264</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>134,430</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>5,940,834</u>	

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		2,199	2,199	-	(2,199)
State Sources	193,607	(69,765)	123,842	87,099	(36,743)
Federal Sources	1,315,849	466,607	1,782,456	1,584,564	(197,892)
Total Revenues	1,509,456	399,041	1,908,497	1,671,663	(236,834)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	477,928	(9,587)	468,341	452,203	16,138
Purchased Professional and Technical Services	525,664	119,510	645,174	639,280	5,894
Other Purchased Services (400-500 series)	17,620	80,533	98,153	97,919	234
General Supplies	9,153	193,754	202,907	94,044	108,863
Textbooks	8,708	1,988	10,696	10,696	-
Total instruction	1,039,073	386,198	1,425,271	1,294,142	131,129
Support services:					
Salaries of Program Directors	78,200	(2,800)	75,400	75,400	-
Personal Services - Employee Benefits	121,271	(8,328)	112,943	111,706	1,237
Purchased Professional - Educational Services	270,912	2,691	273,603	178,977	94,626
Travel		999	999	-	999
Supplies & Materials		20,281	20,281	11,438	8,843
Total support services	470,383	12,843	483,226	377,521	105,705
Total Expenditures	1,509,456	399,041	1,908,497	1,671,663	236,834
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2014

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	61,543,134	1,671,663
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			8,497
Current Year			(5,143)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		136,167	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(134,430)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>61,544,871</u>	<u>1,675,017</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	66,261,338	1,671,663
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			8,497
Current Year			(5,143)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) from general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>66,261,338</u>	<u>1,675,017</u>

SPECIAL REVENUE FUND

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	NCLB Title I	NCLB Title II, A Training	NCLB Title III	NCLB Title III Immigrant	IDEA Part - B Preschool	Totals 2014
REVENUES							
State Sources	87,099						87,099
Federal Sources	-	470,804	113,950	83,076	52,695	24,734	1,584,564
Total Revenues	87,099	470,804	113,950	83,076	52,695	24,734	1,671,663
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	294,562		66,960			452,203
Purchased Professional and Technical Services	-						639,280
Other Purchased Services (400-500 series)	-					24,734	97,919
General Supplies	3,502	42,117	1,737	3,353	37,795	5,540	94,044
Textbooks	10,696						10,696
Total instruction	14,198	336,679	1,737	70,313	37,795	24,734	1,294,142
Support services:							
Salaries of Program Directors	-		75,400				75,400
Personal Services - Employee Benefits	-	70,135	21,871	12,763		6,937	111,706
Purchased Professional - Educational Services	72,901	57,894	9,600		14,900	23,682	178,977
Supplies & Materials	-	6,096	5,342				11,438
Total support services	72,901	134,125	112,213	12,763	14,900	30,619	377,521
Total Expenditures	87,099	470,804	113,950	83,076	52,695	24,734	1,671,663
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1b)	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Total Carried Forward
REVENUES							
State Sources	29,252	22,256	21,909	2,359	3,824	7,499	87,099
Federal Sources	-	-	-	-	-	-	-
Total Revenues	29,252	22,256	21,909	2,359	3,824	7,499	87,099
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	-	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	3,502	-	-	-	-	-	3,502
General Supplies	10,696	-	-	-	-	-	10,696
Textbooks	-	-	-	-	-	-	-
Total instruction	14,198	-	-	-	-	-	14,198
Support services:							
Salaries of Program Directors	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-	-
Purchased Professional - Educational Services	15,054	22,256	21,909	2,359	3,824	7,499	72,901
Supplies & Materials	-	-	-	-	-	-	-
Total support services	15,054	22,256	21,909	2,359	3,824	7,499	72,901
Total Expenditures	29,252	22,256	21,909	2,359	3,824	7,499	87,099
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Chapter 194 Nonpublic Textbook	Nonpublic Nursing	Technology Grant	Total Carried Forward
REVENUES				
State Sources	10,696	15,054	3,502	29,252
Federal Sources				-
Total Revenues	10,696	15,054	3,502	29,252
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Purchased Professional and Technical Services				-
Other Purchased Services (400-500 series)				-
General Supplies			3,502	3,502
Textbooks	10,696			10,696
Total instruction	10,696	-	3,502	14,198
Support services:				
Salaries of Program Directors				-
Personal Services - Employee Benefits		15,054		15,054
Purchased Professional - Educational Services				-
Supplies & Materials				-
Total support services	-	15,054	-	15,054
Total Expenditures	10,696	15,054	3,502	29,252
Excess (Deficiency) of Revenues Over (Under)				
Expenditures and Other Financing Sources (Uses)	-	-	-	-

CAPITAL PROJECTS FUND

Exhibit F-1

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2014

Revenues and Other Financing Sources	
State Sources - SCC Grant	(1,245,272)
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Emergency Reserve	-
Interest on Investments	2,208
	<u>(1,243,064)</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	1,048,737
Land and improvements	-
Construction services	4,442,854
Equipment purchases	-
	<u>5,491,591</u>
Excess (deficiency) of revenues over (under) expenditures	(6,734,655)
Other Finance Sources (Uses)	
Transfers out:	
Debt Service Fund	(2,208)
Capital Reserve	(154,826)
	<u>(157,034)</u>
Total other financing sources (uses)	(157,034)
Net change in fund balance	(6,891,689)
Fund balance - beginning	<u>24,469,277</u>
Fund balance - ending	<u><u>17,577,588</u></u>
Recapitulation:	
Unrestricted Fund Balance	17,577,588
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(3,979,922)</u>
Fund Balance per Governmental Funds	<u><u>13,597,666</u></u>

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Fort Lee Public School No. 1 Façade Restoration
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	152,760		152,760	152,760
Bond proceeds and transfers			-	
Transfers from Capital Reserve	421,051		421,051	421,051
Transfers from Capital Outlay				
Transfers from Emergency Reserve			-	
	<u>573,811</u>	<u>-</u>	<u>573,811</u>	<u>573,811</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	41,463		41,463	573,811
Land and improvements			-	
Construction services	399,361		399,361	
Equipment purchases				
	<u>440,824</u>	<u>-</u>	<u>440,824</u>	<u>573,811</u>
Other Finance Sources (Uses)				
Transfers out		(132,987)	(132,987)	
Total other financing sources (uses)	<u>-</u>	<u>(132,987)</u>	<u>(132,987)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>132,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-080-04-1400			
Grant Date	4/25/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	381,900			
Additional authorized cost	191,911			
Revised authorized cost	573,811			
Percentage increase over original authorized cost	50%			
Percentage completion	77%			
Original target completion date				
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	151,848		151,848	151,848
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	378,104		378,104	378,104
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>529,952</u>	<u>-</u>	<u>529,952</u>	<u>529,952</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	31,633		31,633	53,472
Land and improvements			-	-
Construction services	476,480		476,480	476,480
Equipment purchases			-	-
	<u>508,113</u>	<u>-</u>	<u>508,113</u>	<u>529,952</u>
Other Finance Sources (Uses)				
Transfers out		(21,839)	(21,839)	
Total other financing sources (uses)	<u>-</u>	<u>(21,839)</u>	<u>(21,839)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,839</u>	<u>(21,839)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-100-04-0AOT			
Grant Date	4/25/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	379,620			
Additional authorized cost	150,332			
Revised authorized cost	529,952			
Percentage increase over original authorized cost	40%			
Percentage completion	96%			
Original target completion date				
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Window Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	420,000		420,000	420,000
Bond proceeds and transfers	630,000		630,000	630,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>	<u>1,050,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	42,510	10,490	53,000	196,900
Land and improvements			-	-
Construction services			-	853,100
Equipment purchases			-	-
	<u>42,510</u>	<u>10,490</u>	<u>53,000</u>	<u>1,050,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,007,490</u>	<u>(10,490)</u>	<u>997,000</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1001			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,050,000			
Additional authorized cost				
Revised authorized cost	1,050,000			
Percentage increase over original authorized cost	0%			
Percentage completion	5%			
Original target completion date	9/30/2013			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Masonry Repairs
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	318,431	(188,219)	130,212	130,212
Bond proceeds and transfers	477,646	(279,979)	197,667	197,667
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>796,077</u>	<u>(468,198)</u>	<u>327,879</u>	<u>327,879</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	27,879		27,879	27,879
Land and improvements			-	-
Construction services	300,000		300,000	300,000
Equipment purchases			-	-
	<u>327,879</u>	<u>-</u>	<u>327,879</u>	<u>327,879</u>
Other Finance Sources (Uses)				
Transfers in			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>468,198</u>	<u>(468,198)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1002			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	796,077			
Additional authorized cost	(468,198)			
Revised authorized cost	327,879			
Percentage increase over original authorized cost	-59%			
Percentage completion	100%			
Original target completion date	9/1/2012			
Revised target completion date	9/1/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Interior Alterations
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,592,000		1,592,000	1,592,000
Bond proceeds and transfers	2,388,000		2,388,000	2,388,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>3,980,000</u>	<u>-</u>	<u>3,980,000</u>	<u>3,980,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	196,462	134,468	330,930	859,300
Land and improvements			-	-
Construction services	158,671	1,321,437	1,480,108	3,120,700
Equipment purchases			-	-
	<u>355,133</u>	<u>1,455,905</u>	<u>1,811,038</u>	<u>3,980,000</u>
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,624,867</u>	<u>(1,455,905)</u>	<u>2,168,962</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1003			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	3,980,000			
Additional authorized cost				
Revised authorized cost	3,980,000			
Percentage increase over original authorized cost	0%			
Percentage completion	46%			
Original target completion date	9/30/2014			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School HVAC Upgrades
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	348,000	(155,403)	192,597	192,597
Bond proceeds and transfers	522,000	(233,105)	288,895	288,895
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>870,000</u>	<u>(388,508)</u>	<u>481,492</u>	<u>481,492</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	38,988		38,988	38,988
Land and improvements			-	-
Construction services	414,972	27,532	442,504	442,504
Equipment purchases			-	-
	<u>453,960</u>	<u>27,532</u>	<u>481,492</u>	<u>481,492</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>416,040</u>	<u>(416,040)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1005			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	870,000			
Additional authorized cost	(388,508)			
Revised authorized cost	481,492			
Percentage increase over original authorized cost	-45%			
Percentage completion	100%			
Original target completion date	12/31/2012			
Revised target completion date	12/31/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 1 HVAC Upgrades
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	531,900	(203,982)	327,918	327,918
Bond proceeds and transfers	797,850	(305,972)	491,878	491,878
Transfers from Capital Reserve	-	-	-	-
Transfers from Capital Outlay	-	-	-	-
Transfers from Emergency Reserve	-	-	-	-
	<u>1,329,750</u>	<u>(509,954)</u>	<u>819,796</u>	<u>819,796</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	146,587	-	146,587	146,587
Land and improvements	-	-	-	-
Construction services	659,745	13,464	673,209	673,209
Equipment purchases	-	-	-	-
	<u>806,332</u>	<u>13,464</u>	<u>819,796</u>	<u>819,796</u>
Other Finance Sources (Uses)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>523,418</u>	<u>(523,418)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-060-10-1006			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,329,750			
Additional authorized cost	(509,954)			
Revised authorized cost	819,796			
Percentage increase over original authorized cost	-38%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 1 Roof Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	466,100	(95,077)	371,023	371,023
Bond proceeds and transfers	699,150	(139,988)	559,162	559,162
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,165,250</u>	<u>(235,065)</u>	<u>930,185</u>	<u>930,185</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	74,832		74,832	74,832
Land and improvements			-	-
Construction services	855,353		855,353	855,353
Equipment purchases			-	-
	<u>930,185</u>	<u>-</u>	<u>930,185</u>	<u>930,185</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>235,065</u>	<u>(235,065)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-060-10-1007			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,165,250			
Additional authorized cost	(235,065)			
Revised authorized cost	930,185			
Percentage increase over original authorized cost	-20%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 1 Window Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	278,000		278,000	278,000
Bond proceeds and transfers	417,000		417,000	417,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>695,000</u>	<u>-</u>	<u>695,000</u>	<u>695,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	34,317	7,014	41,331	140,500
Land and improvements			-	-
Construction services		305,501	305,501	554,500
Equipment purchases			-	-
	<u>34,317</u>	<u>312,515</u>	<u>346,832</u>	<u>695,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>660,683</u>	<u>(312,515)</u>	<u>348,168</u>	<u>-</u>
Additional project information:				
Project number	1550-060-10-1008			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	695,000			
Additional authorized cost				
Revised authorized cost	695,000			
Percentage increase over original authorized cost	0%			
Percentage completion	50%			
Original target completion date	9/30/2013			
Revised target completion date	9/30/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 3 Window Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	212,800		212,800	212,800
Bond proceeds and transfers	319,200		319,200	319,200
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>532,000</u>	<u>-</u>	<u>532,000</u>	<u>532,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	32,398	9,804	42,202	112,000
Land and improvements			-	-
Construction services		271,168	271,168	420,000
Equipment purchases			-	-
	<u>32,398</u>	<u>280,972</u>	<u>313,370</u>	<u>532,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>499,602</u>	<u>(280,972)</u>	<u>218,630</u>	<u>-</u>
Additional project information:				
Project number	1550-080-10-1010			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	532,000			
Additional authorized cost				
Revised authorized cost	532,000			
Percentage increase over original authorized cost	0%			
Percentage completion	59%			
Original target completion date	9/30/2013			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 3 Masonry Repairs
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	153,200	(65,170)	88,030	88,030
Bond proceeds and transfers	229,800	(96,848)	132,952	132,952
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>383,000</u>	<u>(162,018)</u>	<u>220,982</u>	<u>220,982</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	18,482		18,482	18,482
Land and improvements			-	-
Construction services	202,500		202,500	202,500
Equipment purchases			-	-
	<u>220,982</u>	<u>-</u>	<u>220,982</u>	<u>220,982</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>162,018</u>	<u>(162,018)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-080-10-1011			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	383,000			
Additional authorized cost	(162,018)			
Revised authorized cost	220,982			
Percentage increase over original authorized cost	-42%			
Percentage completion	100%			
Original target completion date	9/1/2012			
Revised target completion date	9/1/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 4 Masonry Repairs
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	172,000	(102,441)	69,559	69,559
Bond proceeds and transfers	258,000	(152,791)	105,209	105,209
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>430,000</u>	<u>(255,232)</u>	<u>174,768</u>	<u>174,768</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	14,568		14,568	14,568
Land and improvements			-	-
Construction services	160,200		160,200	160,200
Equipment purchases			-	-
	<u>174,768</u>	<u>-</u>	<u>174,768</u>	<u>174,768</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>255,232</u>	<u>(255,232)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-090-10-1012			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	430,000			
Additional authorized cost	(255,232)			
Revised authorized cost	174,768			
Percentage increase over original authorized cost	-59%			
Percentage completion	100%			
Original target completion date	9/1/2012			
Revised target completion date	9/1/2013			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 4 HVAC Upgrades
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,656,000		1,656,000	1,656,000
Bond proceeds and transfers	2,484,000		2,484,000	2,484,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>4,140,000</u>	<u>-</u>	<u>4,140,000</u>	<u>4,140,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	91,198	159,254	250,452	814,400
Land and improvements			-	-
Construction services	84,795	1,283,114	1,367,909	3,325,600
Equipment purchases			-	-
	<u>175,993</u>	<u>1,442,368</u>	<u>1,618,361</u>	<u>4,140,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,964,007</u>	<u>(1,442,368)</u>	<u>2,521,639</u>	<u>-</u>
Additional project information:				
Project number	1550-090-10-1013			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	4,140,000			
Additional authorized cost				
Revised authorized cost	4,140,000			
Percentage increase over original authorized cost	0%			
Percentage completion	39%			
Original target completion date	9/30/2014			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 4 Roof Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	198,000		198,000	198,000
Bond proceeds and transfers	297,000		297,000	297,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>495,000</u>	<u>-</u>	<u>495,000</u>	<u>495,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	32,424	13,009	45,433	103,700
Land and improvements			-	-
Construction services		269,016	269,016	391,300
Equipment purchases			-	-
	<u>32,424</u>	<u>282,025</u>	<u>314,449</u>	<u>495,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>462,576</u>	<u>(282,025)</u>	<u>180,551</u>	<u>-</u>
Additional project information:				
Project number	1550-090-10-1014			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	495,000			
Additional authorized cost				
Revised authorized cost	495,000			
Percentage increase over original authorized cost	0%			
Percentage completion	64%			
Original target completion date	9/30/2014			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Roof Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	780,000	(231,858)	548,142	548,142
Bond proceeds and transfers	1,170,000	(347,368)	822,632	1,170,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,950,000</u>	<u>(579,226)</u>	<u>1,370,774</u>	<u>1,718,142</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	107,774		107,774	107,774
Land and improvements			-	-
Construction services	1,263,000		1,263,000	1,263,000
Equipment purchases			-	-
	<u>1,370,774</u>	<u>-</u>	<u>1,370,774</u>	<u>1,370,774</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>579,226</u>	<u>(579,226)</u>	<u>-</u>	<u>347,368</u>
Additional project information:				
Project number	1550-100-10-1015			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,950,000			
Additional authorized cost	(579,226)			
Revised authorized cost	1,370,774			
Percentage increase over original authorized cost	-30%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2012			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Boiler Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	452,000	(203,122)	248,878	248,878
Bond proceeds and transfers	678,000	(304,684)	373,316	373,316
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,130,000</u>	<u>(507,806)</u>	<u>622,194</u>	<u>622,194</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	53,880		53,880	53,880
Land and improvements			-	-
Construction services	540,483	27,831	568,314	568,314
Equipment purchases			-	-
	<u>594,363</u>	<u>27,831</u>	<u>622,194</u>	<u>622,194</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>535,637</u>	<u>(535,637)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-100-10-1016			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,130,000			
Additional authorized cost	(507,806)			
Revised authorized cost	622,194			
Percentage increase over original authorized cost	-45%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2012			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Addition and Rehabilitation
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,557,180		1,557,180	1,557,180
Bond proceeds and transfers	8,102,820	1,860,735	9,963,555	9,963,555
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>9,660,000</u>	<u>1,860,735</u>	<u>11,520,735</u>	<u>11,520,735</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	291,606	641,712	933,318	1,881,367
Land and improvements			-	557,000
Construction services		868,836	868,836	9,082,368
Equipment purchases			-	-
	<u>291,606</u>	<u>1,510,548</u>	<u>1,802,154</u>	<u>11,520,735</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,368,394</u>	<u>350,187</u>	<u>9,718,581</u>	<u>-</u>
Additional project information:				
Project number	1550-100-10-1018			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	9,660,000			
Additional authorized cost	1,860,735			
Revised authorized cost	11,520,735			
Percentage increase over original authorized cost	19%			
Percentage completion	16%			
Original target completion date	9/30/2014			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Interior Alterations
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	640,000		640,000	640,000
Bond proceeds and transfers	960,000		960,000	960,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>1,600,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	48,002	72,986	120,988	317,000
Land and improvements			-	-
Construction services		54,955	54,955	1,283,000
Equipment purchases			-	-
	<u>48,002</u>	<u>127,941</u>	<u>175,943</u>	<u>1,600,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,551,998</u>	<u>(127,941)</u>	<u>1,424,057</u>	<u>-</u>
Additional project information:				
Project number	1550-100-10-1019			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,600,000			
Additional authorized cost				
Revised authorized cost	1,600,000			
Percentage increase over original authorized cost	0%			
Percentage completion	11%			
Original target completion date	9/30/2014			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2014

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Project Funds Transferred Out	Unexpended Balance June 30, 2014
			Prior Years	Current Year		
Public School No. 1 - Façade restoration	2003-2004	573,811	440,824	-	132,987	-
Lewis F. Cole Middle School - Masonry restoration	2003-2004	529,952	508,113	-	21,839	-
High School Window Replacement	2011-2012	1,050,000	42,510	10,490		997,000
High School Masonry Repairs	2011-2012	327,879	327,879	-		-
High School Interior Alterations	2011-2012	3,980,000	355,133	1,455,905		2,168,962
High School HVAC Upgrades	2011-2012	481,492	453,960	27,532		-
School No. 1 HVAC Upgrades	2011-2012	819,796	806,332	13,464		-
School No. 1 Roof Replacement	2011-2012	930,185	930,185	-		-
School No. 1 Window Replacement	2011-2012	695,000	34,317	312,515		348,168
School No. 3 Window Replacement	2011-2012	532,000	32,398	280,972		218,630
School No. 3 Masonry Repairs	2011-2012	220,982	220,982	-		-
School No. 4 Masonry Repairs	2011-2012	174,768	174,768	-		-
School No. 4 HVAC Upgrades	2011-2012	4,140,000	173,993	1,442,368		2,521,639
School No. 4 Roof Replacement	2011-2012	495,000	32,424	282,025		180,551
Lewis F. Cole M.S. Roof Replacement	2011-2012	1,370,774	1,370,774	-		-
Lewis F. Cole M.S. Boiler Replacement	2011-2012	622,194	594,363	27,831		-
Lewis F. Cole M.S. Addition and Rehabilitation	2011-2012	11,520,735	291,606	1,510,548		9,718,581
Lewis F. Cole M.S. Interior Alterations	2011-2012	1,600,000	48,002	127,941		1,424,057
		<u>30,064,568</u>	<u>6,840,563</u>	<u>5,491,591</u>	<u>154,826</u>	<u>17,577,588</u>

PROPRIETARY FUNDS

FORT LEE BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2014

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	438,115	438,115
Accounts receivable:		
State	1,510	1,510
Federal	22,820	22,820
Other	24,598	24,598
Interfund accounts receivable	3,945	3,945
Inventories	5,171	5,171
Total current assets	<u>496,159</u>	<u>496,159</u>
Noncurrent assets:		
Capital assets:		
Equipment	396,648	396,648
Less accumulated depreciation	<u>(330,708)</u>	<u>(330,708)</u>
Total capital assets (net of accumulated depreciation)	<u>65,940</u>	<u>65,940</u>
Total assets	<u>562,099</u>	<u>562,099</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	117,703	117,703
Prepaid Revenue	<u>17,963</u>	<u>17,963</u>
Total Liabilities	<u>135,666</u>	<u>135,666</u>
NET POSITION		
Net investment in capital assets	65,940	65,940
Unrestricted	<u>360,493</u>	<u>360,493</u>
Total net position	<u>426,433</u>	<u>426,433</u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2014

	Food Service Program	Latchkey Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	496,787		496,787
Daily sales - non-reimbursable programs	303,556		303,556
Daily sales - other	36,361		36,361
Program Fees		183	183
Total operating revenues	<u>836,704</u>	<u>183</u>	<u>836,887</u>
Operating expenses:			
Cost of food	402,571		402,571
Salaries	454,273		454,273
Supplies and materials	34,490		34,490
Employee benefits	140,247		140,247
Depreciation	12,711		12,711
Repairs and other expenses	81,810		81,810
Purchased services	120,210		120,210
Total Operating Expenses	<u>1,246,312</u>	<u>-</u>	<u>1,246,312</u>
Operating income (loss)	<u>(409,608)</u>	<u>183</u>	<u>(409,425)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	12,830		12,830
Federal sources:			
School lunch program	320,743		320,743
School breakfast program	22,785		22,785
U.S.D.A. Commodities	80,976		80,976
Interest on investments	43		43
Total nonoperating revenues (expenses)	<u>437,377</u>	<u>-</u>	<u>437,377</u>
Income (loss) before contributions & transfers	<u>27,769</u>	<u>183</u>	<u>27,952</u>
Other financing sources/(uses):			
Transfer of Capital Assets		(25,994)	(25,994)
Transfer of Accumulated Depreciation		21,189	21,189
Close Out of Program		(250,906)	(250,906)
Change in net assets	<u>27,769</u>	<u>(255,528)</u>	<u>(227,759)</u>
Total net position—beginning	<u>398,664</u>	<u>255,528</u>	<u>654,192</u>
Total net position—ending	<u><u>426,433</u></u>	<u><u>-</u></u>	<u><u>426,433</u></u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2014

	Food Service Program	Latchkey Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	818,451	1,105	819,556
Payments to suppliers	(1,042,418)	(14,310)	(1,056,728)
Net cash provided by (used for) operating activities	(223,967)	(13,205)	(237,172)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	13,166		13,166
Federal Sources	348,094		348,094
Net cash provided by (used for) non-capital financing activities	361,260	-	361,260
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(3,995)		(3,995)
Net cash used for capital and related financing activities	(3,995)	-	(3,995)
CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES			
Interest on investments	43		43
Close Out of Program		(250,906)	(250,906)
Net cash used for investment and related financing activities	43	(250,906)	(250,863)
Net increase (decrease) in cash and cash equivalents	133,341	(264,111)	(130,770)
Balances—beginning of year	304,774	264,111	568,885
Balances—end of year	438,115	-	438,115
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(409,608)	183	(409,425)
Adjustments to reconcile operating income (loss) to net cash provided by			
Depreciation and net amortization	12,711		12,711
Food distribution program	80,976		80,976
(Increase) decrease in accounts receivable	(24,598)	667	(23,931)
(Increase) decrease in interfunds receivable	5,185		5,185
Increase (decrease) in interfunds payable		(5,984)	(5,984)
(Increase) decrease in inventories	21,945		21,945
Increase (decrease) in prepaid revenue	1,161		1,161
Increase (decrease) in accounts payable	88,261	(8,071)	80,190
Total adjustments	185,641	(13,388)	172,253
Net cash provided by (used for) operating activities	(223,967)	(13,205)	(237,172)

FIDUCIARY FUND

FORT LEE BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	31,886	373,575	385,521
Miscellaneous receivables			255
Interfund receivables		11,985	
Total assets	<u>31,886</u>	<u>385,560</u>	<u>385,776</u>
LIABILITIES			
Accounts payable			289,196
Interfunds payable			38,176
Payable to student groups			58,404
Due to State of NJ - Unemployment		8,219	
Total liabilities	<u>-</u>	<u>8,219</u>	<u>385,776</u>
NET POSITION			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		<u>377,341</u>	
Reserved for scholarships	<u>26,886</u>		
	<u>31,886</u>		

FORT LEE BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2014

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions:		
Donations	4,930	
Payroll withholdings		49,392
Total Contributions	<u>4,930</u>	<u>49,392</u>
Investment earnings:		
Interest		246
Net investment earnings	-	246
Total additions	<u>4,930</u>	<u>49,638</u>
DEDUCTIONS		
Quarterly contribution reports		109,341
Scholarships awarded	7,500	
Total deductions	<u>7,500</u>	<u>109,341</u>
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Change in net assets	(2,570)	(59,703)
Net position—beginning of the year	<u>34,456</u>	<u>437,044</u>
Net position—end of the year	<u><u>31,886</u></u>	<u><u>377,341</u></u>

FORT LEE BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014

	Balance July 1, 2013	Cash Receipts	Cash Disbursed	Accounts Receivable June 30, 2014	Interfunds Payable June 30, 2014	Accounts Payable June 30, 2014	Balance June 30, 2014
Elementary Schools:							
Activity Account - School One	6,051	18,256	18,577				5,730
Activity Account - School Two	1,587	8,220	8,009				1,798
Activity Account - School Three	2,399	4,931	6,316				1,014
Activity Account - School Four	1,854	14,784	13,985				2,653
Total Elementary Schools	11,891	46,191	46,887	-	-	-	11,195
Middle School:							
General Organization	3,749	21,763	19,875			2,623	3,014
Total Middle Schools	3,749	21,763	19,875	-	-	2,623	3,014
High School:							
General Organization	50,331	89,312	62,694	150	5,554	27,350	44,195
Total High Schools	50,331	89,312	62,694	150	5,554	27,350	44,195
Athletic Departments:							
General		50,000	32,574		17,426		-
Total Athletic Department	-	50,000	32,574	-	17,426	-	-
Total All Schools	65,971	207,266	162,030	150	22,980	29,973	58,404

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LONG-TERM DEBT

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2013	Retired	Balance, June 30, 2014
			Date	Amount				
BCIA Improvement Bonds	August 7, 2012	18,450,000	11/1/2014	665,000	3.00	\$ 17,670,000	655,000	\$ 17,015,000
			11/1/2015	685,000	3.00			
			11/1/2016	705,000	3.00			
			11/1/2017	730,000	4.00			
			11/1/2018	760,000	4.00			
			11/1/2019	275,000	3.00			
			11/1/2019	500,000	5.00			
			11/1/2020	825,000	4.00			
			11/1/2021	855,000	4.00			
			11/1/2022	895,000	5.00			
			11/1/2023	940,000	5.00			
			11/1/2024	990,000	5.00			
			11/1/2025	1,035,000	4.00			
			11/1/2026	1,080,000	4.00			
			11/1/2027	1,120,000	4.00			
			11/1/2028	1,170,000	4.00			
			11/1/2029	1,215,000	4.00			
			11/1/2030	1,265,000	4.00			
			11/1/2031	1,305,000	4.00			
						\$ 17,670,000	655,000	17,015,000

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases
Fiscal Year Ended June 30, 2014

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2013	Issued	Retired	Balance, June 30, 2014
			Date	Amount					
District Buses	May 22, 2009	262,840				54,685		54,685	
District Wireless System	June 25, 2013	354,919	7/1/14	68,868	2.567 %	354,919		74,256	280,663
			7/1/15	68,817	2.567 %				
			7/1/16	70,583	2.567 %				
			7/1/17	72,395	2.567 %				
12 Temporary Classroom Units	June 9, 2014	1,967,725	7/7/15	208,981	1.461 %		1,967,725		1,967,725
			1/7/16	211,332	1.461 %				
			7/7/16	213,709	1.461 %				
			1/7/17	216,114	1.461 %				
			7/7/17	218,545	1.461 %				
			1/7/18	221,004	1.461 %				
			7/7/18	223,490	1.461 %				
			1/7/19	226,004	1.461 %				
			7/7/19	228,547	1.461 %				
						\$ 409,604	1,967,725	128,941	2,248,388

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,352,100		1,352,100	1,352,100	-
Total Revenues	1,352,100	-	1,352,100	1,352,100	-
EXPENDITURES:					
Regular Debt Service:					
Interest	697,100		697,100	697,100	-
Redemption of Principal	655,000		655,000	655,000	-
Total Regular Debt Service	1,352,100	-	1,352,100	1,352,100	-
Total expenditures	1,352,100	-	1,352,100	1,352,100	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources/(Uses):					
Operating Transfers In:					
Interest earned in Capital Projects Fund				2,208	2,208
Total Other Financing Sources/(Uses)	-	-	-	2,208	2,208
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	2,208	2,208
Fund Balance, July 1	76,630	-	76,630	76,630	-
Fund Balance, June 30	76,630	-	76,630	78,838	2,208
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Operating Transfer In				2,208	2,208
Total	-	-	-	2,208	2,208

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

Fort Lee Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 12,653,392	\$ 12,708,878	\$ 14,113,741	\$ 14,267,966	\$ 10,950,910	\$ 13,327,585	\$ 12,758,856	\$ 14,116,324	\$ (1,278,960)	\$ 3,994,842
Restricted	3,252,291	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,869,850	22,650,012	18,051,812
Unrestricted	(5,580,357)	(5,916,252)	(5,581,765)	(4,680,195)	(4,454,396)	(5,705,497)	(5,079,224)	(4,733,750)	(4,809,592)	(4,233,820)
Total governmental activities net assets	\$ 10,325,326	\$ 9,853,928	\$ 11,280,451	\$ 12,464,612	\$ 9,680,548	\$ 9,638,038	\$ 10,733,990	\$ 14,252,424	\$ 16,561,460	\$ 17,812,834
Business-type activities										
Net investment in capital assets	\$ 171,571	\$ 153,302	\$ 355,041	\$ 305,612	\$ 139,334	\$ 86,609	\$ 100,024	\$ 92,772	\$ 79,460	\$ 65,940
Restricted	497,831	657,171	538,598	310,523	197,002	228,977	295,328	449,260	574,732	360,493
Unrestricted	\$ 669,402	\$ 810,473	\$ 893,639	\$ 616,135	\$ 336,336	\$ 315,586	\$ 395,352	\$ 542,032	\$ 654,192	\$ 426,433
Total business-type activities net assets										
District-wide										
Net investment in capital assets	\$ 12,824,963	\$ 12,862,180	\$ 14,468,782	\$ 14,573,578	\$ 11,090,244	\$ 13,414,194	\$ 12,858,880	\$ 14,209,096	\$ (1,199,500)	\$ 4,060,782
Restricted	3,252,291	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,869,850	22,650,012	18,051,812
Unrestricted	(5,082,526)	(5,259,081)	(5,043,167)	(4,369,672)	(4,257,394)	(5,476,520)	(4,783,896)	(4,284,490)	(4,234,860)	(3,873,327)
Total district net assets	\$ 10,994,728	\$ 10,664,401	\$ 12,174,090	\$ 13,080,747	\$ 10,016,884	\$ 9,933,624	\$ 11,129,342	\$ 14,794,456	\$ 17,215,652	\$ 18,239,267

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Source: CAFR Exhibit A-1

Fort Lee Board of Education
Changes in Net Assets/Net Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 21,043,287	\$ 21,103,665	\$ 22,819,372	\$ 23,262,961	\$ 20,525,561	\$ 22,852,291	\$ 22,037,507	\$ 21,969,182	\$ 23,773,786	\$ 23,815,229
Special education	2,386,098	2,676,508	2,861,247	2,613,512	2,282,103	3,146,977	4,146,536	4,820,815	5,480,927	5,081,131
Other special education	2,081,129	1,857,142	2,183,453	2,257,617	2,313,667	2,646,190	2,506,824	2,501,588	2,439,814	2,680,798
Other instruction	852,846	866,530	1,051,007	1,065,488	1,219,438	910,661	954,758	955,886	1,003,251	1,313,645
Support Services:										
Tuition	3,292,727	3,677,911	4,358,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783	3,472,301	3,496,240
Student & instruction related services	5,123,824	5,709,233	6,587,759	6,927,382	7,038,342	8,250,972	8,138,886	8,165,565	9,010,969	9,078,827
School administrative services	2,615,676	3,078,166	3,140,112	3,310,440	2,858,209	3,163,425	3,327,080	2,744,677	2,549,700	2,987,540
General administrative services		1,532,120	1,766,260	1,768,959	1,623,595	1,654,299	1,428,638	1,304,146	1,315,155	1,591,783
Central services and administrative information technology		783,099	890,773	931,765	792,153	830,678	869,440	892,131	880,547	1,113,877
Business and other support services	2,129,895		5,520,395	5,360,192	5,409,968	5,282,704	4,334,191	4,536,978	4,697,862	5,158,782
Plant operations and maintenance	5,185,595	5,298,109	1,513,638	1,520,693	1,743,806	1,560,289	1,343,168	1,480,585	1,493,593	1,616,017
Pupil transportation	993,869	1,138,842			3,996,266	4,026,554	3,493,585	3,799,983	5,939,141	4,118,192
Unallocated Benefits			79,426	78,734						
Special Schools	120,532	69,289			1,993	5,360	(1,730)	(1,800)	616,664	699,444
Interest on long-term debt					757,547	745,850	746,955	731,457	902,366	982,630
Unallocated depreciation	786,412	1,092,808	1,147,370	747,081					(198,000)	(198,000)
Amortization & Capital Lease Obligations								490	364,675	3,378,021
Capital Outlay - nondepreciable					294,537					
Total governmental activities expenses	46,611,890	48,883,422	53,919,429	54,090,991	55,507,367	59,254,940	56,475,764	57,217,466	63,742,751	66,914,156
Business-type activities:										
Food service	871,537	972,687	994,448	1,035,099	1,069,784	1,087,838	1,147,633	1,123,403	1,211,683	1,246,312
Lunchkey program	191,263	203,435	221,452	251,979	696,127	355,214	492,737	501,273	521,024	255,711
Total business-type activities expense	1,062,800	1,176,122	1,215,900	1,287,078	1,765,911	1,443,052	1,640,370	1,624,676	1,732,707	1,502,023
Total district expenses	\$ 47,674,690	\$ 50,059,544	\$ 55,135,329	\$ 55,378,069	\$ 57,273,278	\$ 60,697,992	\$ 58,116,134	\$ 58,842,142	\$ 65,475,458	\$ 68,416,179
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	108,375	54,800	62,005	38,700						
Operating grants and contributions	5,034,179	5,643,931	7,382,950	7,609,758	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086	1,675,017
Total governmental activities program revenues	5,142,554	5,698,731	7,444,955	7,648,458	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086	1,675,017

Fort Lee Board of Education
Changes in Net Assets/Net Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services										
Food service	794,625	801,466	787,003	797,208	803,602	817,317	833,569	912,665	887,637	836,704
Latchkey program	276,670	330,155	356,194	434,959	299,471	469,037	510,205	524,692	572,722	183
Operating grants and contributions	196,646	209,220	196,426	234,641	255,548	332,755	357,872	442,030	443,442	437,334
Total business type activities program revenues	1,267,941	1,340,841	1,339,623	1,466,808	1,358,621	1,619,109	1,701,646	1,879,387	1,903,801	1,274,221
Total district program revenues	\$ 6,410,495	\$ 7,039,572	\$ 8,784,578	\$ 9,115,266	\$ 3,272,269	\$ 5,512,724	\$ 3,588,348	\$ 3,613,031	\$ 3,713,887	\$ 2,949,238
Net (Expense)/Revenue										
Governmental activities	\$ (41,469,336)	\$ (43,184,691)	\$ (46,474,474)	\$ (46,442,533)	\$ (53,593,719)	\$ (55,361,325)	\$ (54,589,062)	\$ (55,483,822)	\$ (61,932,665)	\$ (65,239,139)
Business-type activities	205,141	164,719	123,723	179,730	(407,290)	176,057	61,276	254,711	171,094	(227,802)
Total district-wide net expense	\$ (41,264,195)	\$ (43,019,972)	\$ (46,350,751)	\$ (46,262,803)	\$ (54,001,009)	\$ (55,185,268)	\$ (54,527,786)	\$ (55,229,111)	\$ (61,761,571)	\$ (65,466,941)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 38,002,413	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762	\$ 52,275,777	\$ 53,321,293
Taxes levied for debt service									1,400,000	1,352,100
Unrestricted grants and contributions	2,938,774	2,848,004	2,996,693	3,019,066	6,838,632	7,152,921	4,895,937	6,604,235	8,570,981	7,654,476
Restricted grants and contributions								663,113	1,693,536	2,193,768
Cancellation Capital Outlay to Capital Reserve										1,397,566
Investment earnings	84,428	217,401	350,416	215,821	49,755	787	45	497	5,313	3,978
Miscellaneous income	104,461	465,717	1,972,043	106,688	313,173	266,322	543,187	483,649	296,094	567,332
Total governmental activities	41,130,076	42,713,293	47,900,997	47,626,694	53,258,084	55,318,815	55,685,014	59,002,256	64,241,701	66,490,513
Business-type activities:										
Investment earnings	16,130	30,621	21,599	2,904	511	2,796		78	78	43
Total business-type activities	16,130	30,621	21,599	2,904	511	2,796	-	78	78	43
Total district-wide	\$ 41,146,206	\$ 42,743,914	\$ 47,922,596	\$ 47,629,598	\$ 53,258,595	\$ 55,321,611	\$ 55,685,014	\$ 59,002,334	\$ 64,241,779	\$ 66,490,556
Change in net assets										
Governmental activities	\$ 627,247	\$ (339,260)	\$ (471,398)	\$ 1,426,523	\$ 1,184,161	\$ (42,510)	\$ 1,095,952	\$ 3,518,434	\$ 2,309,036	\$ 1,251,374
Business-type activities	163,746	96,927	141,071	83,166	(277,504)	178,853	61,276	254,789	171,172	(227,759)
Total district	\$ 790,993	\$ (242,333)	\$ (330,327)	\$ 1,509,689	\$ 906,657	\$ 136,343	\$ 1,157,228	\$ 3,773,223	\$ 2,480,208	\$ 1,023,615

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Source: CAFR Exhibit A-2

Notes: Central Service and Administrative Information Technology services account classifications were added beginning with year end June 30, 2006. Prior to June 30, 2005, Central Services and Administrative Information Technology Services were combined in Other Support Services as Business and Other Support Services.

Fort Lee Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,339,224	\$ 2,304,512	\$ 2,235,492	\$ 2,722,015	\$ 3,029,209	\$ 778,099				
Unreserved	984,615	762,290	823,380	1,386,135	2,235,876	958,404				
Restricted							1,639,659	3,210,976	3,658,099	2,475,618
Committed							274,425	1,182,757		
Assigned							650,000	1,315,959	1,864,968	1,899,690
Unassigned							1,442,570	1,297,861	1,614,117	1,565,526
Total general fund	<u>\$ 3,323,839</u>	<u>\$ 3,066,802</u>	<u>\$ 3,058,872</u>	<u>\$ 4,108,150</u>	<u>\$ 5,265,085</u>	<u>\$ 1,736,503</u>	<u>\$ -</u>	<u>\$ 7,007,553</u>	<u>\$ 7,137,184</u>	<u>\$ 5,940,834</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 471,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	913,067	756,790	40,999	154,826	154,826	1,237,851	490,274	(839,842)	17,050,315	13,597,666
Debt service fund									76,630	78,838
Total all other governmental funds	<u>\$ 913,067</u>	<u>\$ 756,790</u>	<u>\$ 512,983</u>	<u>\$ 154,826</u>	<u>\$ 154,826</u>	<u>\$ 1,237,851</u>	<u>\$ 490,274</u>	<u>\$ (839,842)</u>	<u>\$ 17,126,945</u>	<u>\$ 13,676,504</u>

Source: CAFR Exhibit B-1

Fort Lee Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 38,002,413	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762	\$ 53,675,777	\$ 54,673,393
Interest- capital reserve funds	20,939	40,931	53,422	38,501	16,882	787	45	497	5,313	3,978
Interest earnings	63,489	176,470	296,994	177,320	32,873	2,946	37,589	4,894	4,720	1,918
Transportation							38,105	8,628		
Tuition							85,973	19,500	34,750	30,000
Miscellaneous	212,836	521,871	2,034,048	526,988	314,073	266,627	386,129	457,199	256,624	535,414
State sources	6,335,676	6,710,136	8,493,651	8,856,381	6,987,844	8,227,542	5,001,235	7,271,822	10,361,082	9,931,937
Federal sources	1,637,277	1,780,445	1,885,992	1,772,443	1,763,536	2,815,743	1,776,795	1,722,598	1,713,521	1,591,324
Total revenue	46,272,630	48,412,024	55,345,952	55,656,752	55,171,732	59,212,430	57,571,716	60,735,900	66,051,787	66,767,964
Expenditures										
Instruction										
Regular instruction	16,212,266	15,539,586	16,134,918	16,257,191	16,689,817	17,978,798	17,470,348	17,686,731	19,299,415	18,639,107
Special education instruction	1,899,926	1,931,599	1,924,589	1,828,329	1,816,700	2,392,416	3,205,818	3,799,173	4,314,565	4,191,760
Other special instruction	1,529,394	1,336,521	1,476,232	1,575,356	2,064,966	2,006,619	1,932,043	1,965,408	1,915,689	2,049,705
Other instruction	637,733	655,165	781,949	804,182	779,313	746,698	797,260	782,915	821,867	1,070,951
Support Services:										
Tuition	3,292,727	3,677,911	4,358,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783	3,472,301	3,496,240
Student and instruction related services	4,067,850	4,478,163	4,924,259	5,279,599	5,923,101	6,836,783	6,599,857	6,807,393	7,514,047	7,390,300
School administrative services	2,042,197	2,215,551	2,175,858	2,279,410	2,279,477	2,409,955	2,576,616	2,167,907	2,013,900	2,295,528
General administrative services	1,169,399	1,237,152	1,399,421	1,403,297	1,418,364	1,419,757	1,265,634	1,191,334	1,189,393	1,417,870
Central services and administrative information technology services	668,967	611,462	677,160	703,875	654,668	663,011	713,536	741,121	725,705	889,545
Business and other support services										
Plant operations and maintenance	4,356,079	4,291,011	4,465,622	4,559,453	4,688,086	4,414,450	3,939,182	4,149,469	4,296,950	4,709,092
Pupil transportation	993,869	1,124,950	1,499,037	1,503,774	1,732,005	1,528,574	1,308,313	1,451,533	1,464,678	1,573,249
Employee benefits	9,596,971	10,508,684	13,148,368	13,544,958	11,134,661	14,016,326	12,969,113	12,959,691	14,744,871	15,084,362
Special schools	120,532	69,289	79,426	78,734						
Capital outlay	664,667	1,148,294	2,552,233	901,306	446,297	3,065,910	121,496	2,046,659	5,627,007	10,620,237
Debt service:										
Principal									780,000	655,000
Interest and other charges									559,900	697,100
Transfer to charter school										
Total expenditures	47,252,577	48,825,338	55,597,689	54,965,631	54,277,637	61,657,987	56,049,142	59,065,117	68,740,288	74,780,046
Excess (Deficiency) of revenues over (under) expenditures	(979,947)	(413,314)	(251,737)	691,121	894,095	(2,445,557)	1,522,574	1,670,783	(2,688,501)	(8,012,082)

Fort Lee Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
						Fiscal Year Ending June 30,				
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	-	262,840	-	-	-	354,919	1,967,725
Bond proceeds	-	-	-	-	-	-	-	-	20,430,000	-
Cancellation of Capital Outlay to Capital Reserve						2,484,000	747,577	334,958	3,952	1,397,566
Transfers in						(2,484,000)	(747,577)	(334,958)	(3,952)	157,034
Transfers out						-	-	-	-	(157,034)
Total other financing sources (uses)	-	-	-	-	262,840	-	-	-	20,784,919	3,365,291
Net change in fund balances	\$ (979,947)	\$ (413,314)	\$ (251,737)	\$ 691,121	\$ 1,156,935	\$ (2,445,557)	\$ 1,522,574	\$ 1,670,783	\$ 18,096,418	\$ (4,646,791)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	2.1%

Source: CAFR Exhibit B-2

Central Service and Administrative Information Technology services account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Services and Administrative Information Technology Services were combined in Other Support Services as Business and Other Support Services.

Fort Lee Board of Education
General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Interest on investments	\$ 63,489	\$ 176,470	\$ 296,994	\$ 177,320	\$ 32,873	\$ 2,946	\$ 37,589	\$ 4,894	\$ 4,720	\$ 1,918
Summer school tuition and fees	108,375	54,800	62,005	38,700			85,973	19,500	34,750	30,000
Prior years' refunds	79,321	34,709	74,409	18,322						
Rentals	1,000				98,667	94,500	140,550	174,175	95,000	5,500
Donations					5,500	2,721	433	89,635	2,150	500
Transportation						37,584	38,105	8,628		
Cancellation of prior year void checks					7,554	7,194	2,443		1,737	5,305
Contributions	3,757	1,926	2,757	13,574						
Miscellaneous-restricted										
Reimbursement of custodial		13,000	45,500	433,600	194,611	110,565	97,409	84,620	82,086	203,911
Athletic receipts	7,509	7,821	5,310	3,712	587	1,356	4,463	4,650	6,198	5,021
Other		4,080		4,075			93,448		7,862	4,259
Book fines	5,902	9,299	7,416	9,030	5,268	5,023	2,839		2,061	1,282
Restitution non-residents	3,148	240	4,080							
Miscellaneous-unrestricted	3,824	12,142	3,791	3,209	1,886	4,433	39,935	97,547	46,020	309,636
Total Miscellaneous	\$ 276,325	\$ 314,487	\$ 502,262	\$ 701,542	\$ 346,946	\$ 266,322	\$ 543,187	\$ 483,649	\$ 282,584	\$ 567,332
Interest on capital reserve funds	20,939	40,931	53,422	38,501	16,882	787	45	497	1,827	1,770
Total General Fund	\$ 297,264	\$ 355,418	\$ 555,684	\$ 740,043	\$ 363,828	\$ 267,109	\$ 543,232	\$ 484,146	\$ 284,411	\$ 569,102

Fort Lee Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited

Fiscal Year Ended Dec. 31,	Vacant Land	Residential	Commercial/Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2005	\$ 42,856,900	\$ 3,167,290,200	\$ 988,600,000	\$ 1,600,766,520	\$ 5,799,513,620	\$ 9,550,396	\$ 5,809,064,016	\$ 335,518,700	\$ 5,405,151,721	0.66
2006	\$ 47,450,100	\$ 3,503,231,100	\$ 961,978,900	\$ 1,417,207,720	\$ 5,929,867,820	\$ 8,658,578	\$ 5,938,526,398	\$ 351,037,400	\$ 5,822,717,382	0.69
2007	\$ 130,801,900	\$ 3,525,098,500	\$ 937,102,300	\$ 1,411,590,620	\$ 6,004,593,320	\$ 8,540,038	\$ 6,013,133,358	\$ 358,234,700	\$ 6,085,431,283	0.72
2008	\$ 122,770,000	\$ 3,554,620,700	\$ 947,923,900	\$ 1,414,385,820	\$ 6,039,700,420	\$ 8,337,130	\$ 6,048,037,550	\$ 363,433,300	\$ 6,522,953,051	0.75
2009	\$ 124,914,300	\$ 3,585,523,400	\$ 948,009,500	\$ 1,415,253,320	\$ 6,073,700,520	\$ 8,723,969	\$ 6,082,424,489	\$ 360,587,400	\$ 6,588,899,981	0.77
2010	\$ 124,462,700	\$ 3,594,309,700	\$ 950,314,300	\$ 1,440,155,620	\$ 6,109,242,320	\$ 8,564,849	\$ 6,117,807,169	\$ 329,971,800	\$ 6,417,757,379	0.80
2011	\$ 127,344,500	\$ 2,599,114,200	\$ 949,276,800	\$ 1,437,682,320	\$ 5,113,417,820	\$ 9,180,439	\$ 5,122,598,259	\$ 328,933,300	\$ 6,588,899,981	0.77
2012	\$ 100,665,200	\$ 3,599,241,400	\$ 935,804,500	\$ 1,440,403,020	\$ 6,076,114,120	\$ 10,219,689	\$ 6,086,333,809	\$ 329,372,300	\$ 6,076,114,120	0.86
2013	\$ 89,754,600	\$ 3,590,670,300	\$ 944,612,900	\$ 1,444,617,220	\$ 6,069,655,020	\$ 7,980,343	\$ 6,077,635,363	\$ 328,642,000	\$ 6,423,963,635	0.89
2014	\$ 142,308,600	\$ 3,602,571,100	\$ 853,593,300	\$ 1,491,298,420	\$ 6,089,771,420	\$ 7,070,493	\$ 6,096,841,913	\$ 343,287,801	\$ 6,440,129,714	0.92

Source: Municipal Tax Assessor and Abstract of Ratables, County Board of Taxation

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

N/A- At the time of CAFR completion, this data was not yet available.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a- Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b- Tax rates are per \$100.

Exhibit J-7

**Fort Lee Board of Education
Direct and Overlapping Property Tax Rates
Last Six Fiscal Years
(rate per \$100 of assessed value)**

Fiscal Year Ended Dec. 31,	Fort Lee Board of Education		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Fort Lee	County of Bergen
2005	0.66		0.66	0.74	0.19
2006	0.69		0.69	0.79	0.18
2007	0.72		0.72	0.82	0.18
2008	0.75		0.75	0.89	0.20
2009	0.77		0.77	0.91	0.21
2010	0.80		0.80	0.93	0.21
2011	0.83		0.83	0.94	0.22
2012	0.86		0.86	0.96	0.23
2013	0.87	0.023	0.89	0.99	0.24
2014	0.89	0.023	0.92	1.00	0.25

Source: Municipal Tax Collector

Notes: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net val

b Rates for debt service are based on each year's requirements.

**Fort Lee Board of Education
Principal Property Taxpayers
Current Year and Ten Years Ago**

	2014				2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
1266 Apartment corp.	\$ 279,000,000	1	4.58%		\$ 137,400,000	1	2.37%	
1530 Owners Corp.	\$ 168,478,000	2	2.76%		\$ 91,000,000	2	1.57%	
Southbridge Park, Inc.	\$ 82,673,000	3	1.36%		\$ 49,000,000	3	0.84%	
CCA Crest at Fort Lee, LLC	\$ 82,000,000	4	1.34%					
2100 Linwood Ave. Owners Inc.	\$ 78,000,000	5	1.28%		\$ 38,858,000	7	0.67%	
Mediterranean Towers West Owners, Inc.	\$ 72,000,000	6	1.18%		\$ 44,000,000	5	0.76%	
2000 Linwood Avenue Owners, Inc.	\$ 69,403,000	7	1.14%		\$ 38,858,000	8	0.67%	
One Century City Apartment Corp.	\$ 64,703,000	8	1.06%		\$ 42,200,000	6	0.73%	
Northbridge Park Co-op Inc	\$ 63,267,000	9	1.04%		\$ 48,750,000	4	0.84%	
Fort Lee EP, LLC	\$ 55,275,000	10	0.91%					
Executive Park, LLC								
Kelby Associates c/o Parker Corp.					\$ 29,500,000	10	0.51%	
1170 Apt. Corp.					\$ 33,700,000	9	0.58%	
Total	<u>\$ 1,014,799,000</u>		<u>16.64%</u>		<u>\$ 553,266,000</u>		<u>9.52%</u>	
Net Assessed Valuation:				\$ 6,096,841,913	\$ 5,809,064,016			

Source: Municipal Tax Assessor.

Exhibit J-9

**Fort Lee Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy ^a	
2005	\$38,002,413	\$38,002,413	100.00%	\$ -
2006	\$39,182,171	\$39,182,171	100.00%	\$ -
2007	\$42,581,845	\$42,581,845	100.00%	\$ -
2008	\$44,285,119	\$44,285,119	100.00%	\$ -
2009	\$46,977,655	\$46,977,655	100.00%	\$ -
2010	\$47,898,785	\$47,898,785	100.00%	\$ -
2011	\$50,245,845	\$50,245,845	100.00%	\$ -
2012	\$51,250,762	\$51,250,762	100.00%	\$ -
2013	\$53,675,777	\$53,675,777	100.00%	\$ -
2014	\$54,673,393	\$54,673,393	100.00%	\$ -

Source: District records including the Certificate and Report of School Taxes (A4F form)

Notes: a- School taxes are collected by the Municipal Tax Collector.
Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Exhibit J-10

Fort Lee Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General	Capital				
	Obligation Bonds/Loans ^b	Leases				
2005	-	-	-	0.00%	\$	57,745
2006	-	-	-	0.00%	\$	63,166
2007	-	-	-	0.00%	\$	67,606
2008	-	-	-	0.00%	\$	67,375
2009	-	-	-	0.00%	\$	63,862
2010	-	-	-	0.00%	\$	63,950
2011	-	157,715	157,715	0.01%	\$	67,240
2012	-	107,229	107,229	0.00%	\$	69,919
2013	17,670,000	409,604	18,079,604	Not Available	Not Available	Not Available
2014	17,015,000	2,248,388	19,263,388	Not Available	Not Available	Not Available

Source: District records

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a- See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Exhibit J-11

**Fort Lee Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2005	\$ -	-	-	0.00%	\$ 57,745
2006	\$ -	-	-	0.00%	\$ 63,166
2007	\$ -	-	-	0.00%	\$ 67,606
2008	\$ -	-	-	0.00%	\$ 67,375
2009	\$ -	-	-	0.00%	\$ 63,862
2010	\$ -	-	-	0.00%	\$ 63,950
2011	\$ -	-	-	0.00%	\$ 67,240
2012	\$ -	-	-	0.00%	\$ 69,919
2013	\$ 17,670,000	-	17,670,000	0.29%	Not Available
2014	\$ 17,015,000	-	17,015,000	0.28%	Not Available

Source: District Records

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a- See Exhibit J-6 for property tax data.

b- See Exhibit J-14 for population data. The ratio is calculated using the population for the prior calendar year.

Fort Lee Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2014

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2014			\$ 17,015,000
Net overlapping debt of School District:			
Borough of Fort Lee	100.000%	\$ 56,760,449	
County of Bergen - City's Share	3.966%	\$ 3,363,742	
Bergen County Utility Authority-City's Share	7.231%	\$ 15,947,324	
Subtotal, overlapping debt			<u>\$ 76,071,514</u>
Total direct and overlapping debt			<u>\$ 93,086,514</u>

Sources: Borough of Fort Lee Finance Office / Bergen County Treasurer's Office

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fort Lee. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Equalized valuation basis	
2013	6,423,963,635
2012	6,076,114,120
2011	6,588,899,981
[A]	\$ 19,088,977,736

Source: Equalized valuations were obtained from the Annual Debt Statement, Borough of Fort Lee

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**Fort Lee Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^{a(1)}	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^{c(2)}	Unemployment Rate ^d
2005	36,546	\$ 2,110,348,770	57,745	2.80%
2006	36,214	\$ 2,287,493,524	63,166	3.00%
2007	36,124	\$ 2,442,199,144	67,606	2.60%
2008	36,107	\$ 2,432,709,125	67,375	3.20%
2009	36,288	\$ 2,317,424,256	63,862	5.90%
2010	35,387	\$ 2,262,998,650	63,950	6.30%
2011	35,579	\$ 2,392,331,960	67,240	6.20%
2012	35,732	\$ 2,498,345,708	69,919	5.80%
2013	36,014	Not Available	N/A	N/A
2014	N/A	Not Available	N/A	N/A

Source:

- a- Population information provided by the NJ Department of Labor and Workforce Development.
b- Personal income has been estimated based upon the municipal population and per capita personal income presented
c- US Bureau of Economic Analysis per capita personal income for New Jersey by county
d- Unemployment data provided by the NJ Dept of Labor and Workforce Development

Notes:

- (1) Represents estimate of July 1
(2) Represents county information vs. municipality

N/A- At the time of CAFR completion, this data was not yet available

Source: Borough of Fort Lee and State of New Jersey Department of Labor and Industry Annual Labor Force Estimates by Municipality

N/A- At the time of CAFR completion, this data was not yet available.

Fort Lee Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	244.0	N/A	231.0	233.0	237.0	241.0	229.0	212.0	231.0	260.0
Special education	N/A	N/A	26.0	27.0	27.0	29.0	37.0	64.0	82.0	63.0
Other instruction	33.0	N/A	29.0	31.0	29.0	28.5	33.5	23.0	24.0	27.0
Support Services:										
Student & instruction related services	24.0	N/A	65.0	64.0	66.0	67.0	71.5	78.5	95.0	82.0
General administrative services	26.0	N/A	12.0	12.0	12.0	12.0	10.0	8.5	8.0	8.0
School administrative services	55.0	N/A	33.0	33.0	33.0	33.0	24.0	24.0	22.0	26.0
Business administrative services	7.0	N/A	6.0	6.0	6.0	6.0	13.0	14.0	15.0	17.0
Plant operations and maintenance	48.0	N/A	46.0	46.0	45.0	44.0	21.0	20.5	21.0	21.0
Total	437.0	0.0	448.0	452.0	455.0	460.5	439.0	444.5	498.0	504.0

Source: District Personnel Records

**Fort Lee Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	3,473	46,876,615	13,497	9.16%	244	1:15	1:14	1:14	3,427	3,256	0.41	95.01%
2006	3,513	47,677,044	13,572	0.55%	N/A	N/A	N/A	N/A	3,482	3,307	1.60	94.97%
2007	3,546	54,064,325	15,247	12.34%	231	1:18	1:11	1:15	3,475	3,321	(0.20)	95.57%
2008	3,551	54,965,631	15,479	1.52%	233	1:17	1:12	1:14	3,488	3,338	0.37	95.70%
2009	3,545	54,277,637	15,311	0.42%	237	1:18	1:11	1:14	3,454	3,296	(.01)	95.43%
2010	3,621	58,592,077	16,181	4.54%	241	1:18	1:11	1:14	3,543	3,406	0.04	96.13%
2011	3,671	55,927,646	15,235	-0.50%	229	1:17	1:11	1:14	3,601	3,450	0.01	95.81%
2012	3,727	57,018,458	15,299	-5.45%	212	1:17	1:11	1:14	3,689	3,547	0.02	96.15%
2013	3,791	61,773,381	16,295	6.96%	231	1:17	1:11	1:14	3,740	3,570	0.01	95.45%
2014	3,819	62,807,709	16,446	7.50%	291	1:10	1:10	1:10	3,779	3,606	0.01	95.42%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

^a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

N/A At the time of CAFR completion, this data was not yet available.

**Fort Lee Board of Education
School Building Information
Last Ten Fiscal Years**

<u>District Buildings</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Elementary</u>										
<u>School 1</u>										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	527	491	498	517	529	529	634	644	678	708
<u>School 2</u>										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	364	397	399	415	421	421	422	428	455	457
<u>School 3</u>										
Square Feet	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	439	464	464	490	497	497	513	533	530	536
<u>School 4</u>										
Square Feet	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722
Capacity (students)	395	395	395	395	395	395	395	395	395	395
Enrollment	446	484	484	474	493	493	535	516	540	541
<u>Middle School</u>										
<u>Lewis F. Cole Middle School</u>										
Square Feet	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455
Capacity (students)	295	295	295	295	295	295	295	295	295	295
Enrollment	560	509	513	528	477	477	526	556	574	558
<u>High School</u>										
<u>Fort Lee High School</u>										
Square Feet	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	1,064	1,089	1,096	1,041	1,039	1,039	979	995	959	978

Number of Schools at June 30, 2014
 Elementary 4
 Middle School 1
 High School 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

Fort Lee Board of Education
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

* School Facilities	School #	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fort Lee High School	50	211,437	177,364	201,794	136,945	210,988	287,542	271,993	294,830	257,401	267,377
Lewis F. Cole Middle School	100	97,829	80,173	78,468	67,095	86,179	126,885	111,862	121,786	114,399	103,980
Elementary School #1	60	80,468	65,678	78,720	76,040	98,065	108,715	124,887	135,657	100,099	89,125
Elementary School #2	70	39,226	39,221	82,480	49,203	68,348	83,985	88,111	95,994	85,801	74,271
Elementary School #3	80	47,362	53,743	48,255	44,730	58,245	77,274	75,086	81,858	71,498	89,126
Elementary School #4	90	71,315	68,262	50,202	53,676	72,508	87,104	94,240	102,534	85,802	118,835
Grand Total		\$ 547,637	\$ 484,441	\$ 539,919	\$ 427,689	\$ 594,333	\$ 771,505	\$ 766,179	\$ 832,659	\$ 715,000	\$ 742,714

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**Fort Lee Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2014
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund			
	Property - Blanket Building and Contents	\$ 88,560,709	\$ 1,000
	Flood/Earthquake	10,000,000/25,000,000	25,000
	Commercial General Liability:		
	General Aggregate	50,000,000	
	Each Occurrence	5,000,000	
	Prod/Completed Oper.	50,000,000	
	Fire Damage Legal Liability	2,500,000	
	Personal Injury	5,000,000	
	Medical Expense	5,000	
	Employee Benefit each occurrence/aggregate	5,000,000	1,000
	Automobile Liability CSL		
	Combined Single Limit	5,000,000	1,000
	Comprehensive Crime Coverage:		
	Employee Dishonesty	500,000	1,000
	Robbery - Outside/Inside	50,000/50,000	1,000
Boiler and Machinery - School Alliance Insurance Fund			
	Property Damage	100,000,000	1,000
Board of Education Liability - National Union Fire Ins			
	Limit of Liability	5,000,000	5,000
Excess Liability - Fireman's Fund Insurance Co.			
	Each Occurrence/Aggregate	50,000,000/50,000,000	
	Excess of	10,000,000	
Environmental Site Specific - ACE American Insurance Co.			
	Each Occurrence/Aggregate	1,000,000/25,000,000	10,000
Public Officials Bonds - Hartford Fire Insurance Co.			
	Board Secretary/Business Administrator	200,000	
	Treasurer of School Monies	320,000	
	Assistant Board Secretary/Business Administrator	200,000	
Student Accident - Monumental Life Insurance Co.			
	Students	5,000,000	
	Athletics	5,000,000	

Source: District Records.

Note: The District is part of the Northeast Bergen County School Board Insurance Group (NESBIG). Several of the above coverages are the combined amounts for all the school districts under master policies with insurance companies.

SINGLE AUDIT SECTION

Ferraioli, Wielkott, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkott, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Borough of Fort Lee School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Fort Lee School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Fort Lee Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fort Lee Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fort Lee Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Fort Lee Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

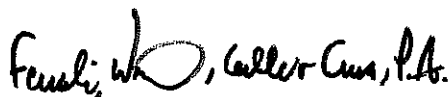
We noted certain matters that were required to be reported to the Board of Education of the Borough of Fort Lee School District in the separate Auditors Management Report on Administrative Findings - Financial, Compliance and Performance dated November 14, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 14, 2014



Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
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Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Fort Lee School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Fort Lee School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Fort Lee Board of Education's major federal and state programs for the year ended June 30, 2014. The Borough of Fort Lee Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Fort Lee Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Fort Lee Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Fort Lee Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Fort Lee Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Other Matters

Management of the Borough of Fort Lee Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Fort Lee Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Fort Lee Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable President and
Members of the Board of Education

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Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The Borough of Fort Lee Board of Education's response to internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Fort Lee Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 14, 2014



BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2013	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014	
				From	To							(Accounts Receivable)	Due to Grantor at
US Department of Education													
Passed Through State Dept of Education:													
Special Revenue Fund													
Title I Part A, Improving Basic Programs	84.010	NCLB431014	475,928	7/1/13	6/30/14	(191,534)	(191,534)	547,439	470,804			(114,899)	
Title I Part A, Improving Basic Programs	84.010	NCLB431013	565,522	9/1/12	8/31/13	(191,534)	191,534	547,439	470,804			(114,899)	
						(191,534)							
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	NCLB431014	122,876	7/1/13	6/30/14	(46,482)	(46,482)	128,562	113,950	39		(31,831)	
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	NCLB431013	121,674	9/1/12	8/31/13	(46,482)	46,482		113,950	39		(31,831)	
						(46,482)		128,562					
Title III	84.365	NCLB431014	87,800	7/1/13	6/30/14	(41,084)	(41,084)	106,061	83,076			(18,099)	
Title III	84.365	NCLB431013	96,893	9/1/12	8/31/13	(41,084)	41,084						
Title III, Immigrant	84.365	NCLB431014	67,197	7/1/13	6/30/14	(9,051)	(9,051)	50,272	52,695			(11,474)	
Title III, Immigrant	84.365	NCLB431013	92,043	9/1/12	8/31/13	(9,051)	9,051						
						(50,135)		156,333	135,771			(29,573)	
IDEA, Part B-Basic	84.027	IDEA431014	794,187	7/1/13	6/30/14	(834,185)	(834,185)	1,299,850	839,305			(373,640)	
IDEA, Part B-Basic	84.027	IDEA431013	803,612	9/1/12	8/31/13	(834,185)	834,185						
IDEA, Part B-Preschool	84.175	IDEA431014	20,428	7/1/13	6/30/14	(22,013)	(22,013)	41,806	24,734			(4,941)	
IDEA, Part B-Preschool	84.175	IDEA431013	22,025	9/1/12	8/31/13	(22,013)	22,013						
						(856,198)		1,341,656	864,039			(378,581)	
Race to the Top	84.395A		49,978	7/1/12	11/30/15	(49,908)		49,908					
						(1,194,257)		2,223,898	1,584,564	39		(554,884)	
Total Special Revenue Fund													
US Department of Agriculture													
Passed Through State Dept of Education:													
Enterprise Fund													
Food Distribution Program	10.550	N/A	80,976	7/1/13	6/30/14			80,976	80,976				
National School Breakfast Program	10.553	N/A	22,785	7/1/13	6/30/14			20,895	22,785			(1,890)	
National School Breakfast Program	10.553	N/A	19,348	7/1/12	6/30/13	(1,820)		1,820					
National School Lunch Program	10.555	N/A	320,743	7/1/13	6/30/14			299,813	320,743			(20,930)	
National School Lunch Program	10.555	N/A	322,879	7/1/12	6/30/13	(25,566)		25,566					
						(27,386)		429,070	424,504			(22,820)	
Total Enterprise Fund													
Total Federal Financial Assistance													
						\$ (1,221,643)		2,652,568	2,009,068	39		(577,704)	

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of State Financial Awards

Year ended June 30, 2014

State Grantor/Program Titles	Balance at June 30, 2013					Balance at June 30, 2014					Memo		
	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances		Deferred	
			From	To								(Accounts Receivable)	Revenue/ Interfund Payable
State Department of Education:													
General Fund													
Transportation Aid	14-495-034-5120-014	\$ 79,344	7/1/2013	6/30/2014	\$		73,878	79,344				*	79,344
Special Education Aid	14-495-034-5120-089	1,797,805	7/1/2013	6/30/2014			1,675,163	1,797,805				*	(5,466)
Security Aid	14-495-034-5120-084	91,765	7/1/2013	6/30/2014			85,443	91,765				*	(122,642)
Extraordinary Aid	14-495-034-5120-044	907,741	7/1/2013	6/30/2014				907,741				*	(6,322)
Extraordinary Aid	13-495-034-5120-044	1,008,747	7/1/2012	6/30/2013			1,008,747					*	907,741
Non Public Transportation	14-495-034-5120-014	31,185	7/1/2013	6/30/2014				31,185				*	1,008,747
Non Public Transportation	13-495-034-5120-014	33,582	7/1/2012	6/30/2013			33,582					*	31,185
Reimbursed TPAF Social Security	14-495-034-5095-051	1,913,031	7/1/2013	6/30/2014			1,824,027	1,913,031				*	33,582
Reimbursed TPAF Social Security	13-495-034-5095-051	1,998,028	7/1/2012	6/30/2013			94,078					*	1,913,031
On Behalf TPAF Pension and NCGI Premium	14-495-034-5095-001	1,072,830	7/1/2013	6/30/2014			1,072,830	1,072,830				*	1,998,028
On Behalf TPAF Pension - Post Retirement Medical	14-495-034-5095-001	1,759,038	7/1/2013	6/30/2014			1,759,038	1,759,038				*	1,072,830
Total General Fund							7,626,786	7,652,739				*	1,759,038
							(1,136,407)					*	(134,430)
Special Revenue Fund													
NJ NonPublic Aid:													
Textbook Aid	14-100-034-5120-064	10,696	7/1/2013	6/30/2014			10,696	10,696				*	10,696
Technology Aid	14-100-034-5120-373	3,900	7/1/2013	6/30/2014			3,900	3,502				*	3,502
Nursing Services	14-100-034-5120-070	15,054	7/1/2013	6/30/2014			15,054	15,054				*	15,054
Handicapped Services:												*	
Exam & Classification	14-100-034-5120-066	7,166	7/1/2013	6/30/2014			7,166	3,824				*	3,824
Exam & Classification	13-100-034-5120-066	15,922	7/1/2012	6/30/2013								*	7,961
Corrective Speech	14-100-034-5120-066	10,937	7/1/2013	6/30/2014			10,937	7,499				*	7,499
Corrective Speech	13-100-034-5120-066	28,904	7/1/2012	6/30/2013			20,858					*	3,438
Supplementary Inst.	14-100-034-5120-066	6,245	7/1/2013	6/30/2014			6,245	2,359				*	8,046
Supplementary Inst.	13-100-034-5120-066	11,101	7/1/2012	6/30/2013								*	2,359
Auxiliary Services:												*	7,632
Compensatory Education	14-100-034-5120-067	47,935	7/1/2013	6/30/2014			47,935	22,256				*	22,256
Compensatory Education	13-100-034-5120-067	127,084	7/1/2012	6/30/2013								*	29,260
English as a Second Language	14-100-034-5120-067	21,909	7/1/2013	6/30/2014			21,909	21,909				*	21,909
English as a Second Language	13-100-034-5120-067	28,988	7/1/2012	6/30/2013								*	17,819
Total State Sources							123,842	87,099				*	157,817
							145,444					*	36,743
Local Sources:													
Exxon - Donation	N/A	500	7/1/2009	6/30/2010								*	251
Exxon - Donation	N/A	750	7/1/2010	6/30/2011								*	750
Ironman Donation	N/A	1,200	7/1/2011	6/30/2012								*	1,200
Total Local Sources							2,199					*	251
							2,199					*	
Total Special Revenue							145,444	87,099				*	158,068
							123,842					*	
												*	

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of State Financial Awards

Year ended June 30, 2014

State Grantor/Program Titles		Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2013				Balance at June 30, 2014				Memo	
				From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Revenue/ Interfund Payable		Due to Grantor at
Capital Projects Fund															
Section 15 Grant:															
Lewis F. Cole M.S. Masonry Restoration	1550-100-04-0AOT	151,848			(150,325)		150,325								151,848
Fort Lee Public School #1 Façade Restoration	1550-080-04-1400	152,760			(152,760)		152,760								152,760
High School Window Replacement	1550-050-10-1001	420,000			(17,004)			4,196			(21,200)				21,200
High School Masonry Repairs	1550-050-10-1002	130,212			(131,152)				940		(130,212)				130,212
High School Interior Alterations	1550-050-10-1003	1,592,000			(142,053)			582,362			(724,415)				724,415
High School HVAC Upgrades	1550-050-10-1005	192,597			(181,584)			11,013			(192,597)				192,597
School No. 1 HVAC Upgrades	1550-060-10-1006	327,918			(322,532)			5,386			(327,918)				327,918
School No. 1 Roof Replacement	1550-060-10-1007	371,023			(372,074)				1,051		(371,023)				371,023
School No. 1 Window Replacement	1550-060-10-1008	278,000			(13,727)			125,006			(138,733)				138,733
School No. 2 Window Replacement	1550-080-10-1010	212,800			(12,959)			112,389			(125,348)				125,348
School No. 3 Masonry Repairs	1550-080-10-1011	88,031			(88,393)				362		(88,031)				88,031
School No. 4 Masonry Repairs	1550-090-10-1012	69,559			(69,907)				348		(69,559)				69,559
School No. 4 HVAC Upgrades	1550-090-10-1013	1,656,000			(70,397)			576,947			(647,344)				647,344
School No. 4 Roof Replacement	1550-090-10-1014	198,000			(12,970)			112,810			(125,780)				125,780
Lewis F. Cole M.S. Roof Replacement	1550-100-10-1015	548,142			(548,309)				167		(548,142)				548,142
Lewis F. Cole M.S. Boiler Replacement	1550-100-10-1016	248,878			(237,746)			11,132			(248,878)				248,878
Lewis F. Cole M.S. Addition & Rehabilitation	1550-100-10-1018	1,557,180			(116,642)			604,219			(720,861)				720,861
Lewis F. Cole M.S. Interior Alterations	1550-100-10-1019	640,000			(19,201)			51,176			(70,377)				70,377
Total Capital Projects Fund						(2,659,735)	303,085	2,196,636	2,868		(4,550,418)				4,855,026
Enterprise Fund															
State Department of Agriculture															
National School Lunch Program (State Share)	14-100-010-3360-067	12,830	7/1/2013	6/30/2014			11,320	12,830			(1,510)				12,830
National School Lunch Program (State Share)	13-100-010-3360-067	13,682	7/1/2012	6/30/2013	(1,846)		1,846								13,682
Total Enterprise Fund						(1,846)	13,166	12,830			(1,510)				26,512
Total State Financial Assistance						(3,795,789)	145,444	8,066,879	2,868	145,444	(5,579,858)	2,199	36,743	(134,430)	15,732,702

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

Borough of Fort Lee School District
Notes to the Schedules of Expenditures of Federal Awards and
State Financial Assistance
June 30, 2014

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NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state award programs of the Board of Education, Borough of Fort Lee School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,737) for the general fund and \$(8,497) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$7,654,476	\$7,654,476
Special Revenue Fund	1,591,324	83,693	1,675,017
Capital Projects Fund		2,193,768	2,193,768
Food Service Fund	<u>424,504</u>	<u>12,830</u>	<u>437,334</u>
Total Financial Awards	<u>\$2,015,828</u>	<u>\$9,944,767</u>	<u>\$11,960,595</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$2,831,868 of on-behalf payments is excluded from major program determination.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	(A)	<u>IDEA, Part B-Basic/IDEA, Part B- Preschool</u>
<u>84.01</u>	(A)	<u>Title I, Part A</u>
<u>10.553/10.555</u>	(A)	<u>National School Lunch Program/National School Breakfast Program</u>

Note: (A) - Tested as Major Type A Program.

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes X no

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Significant deficiencies identified that are not
considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to
be reported in accordance with NJ OMB Circular
Letter 04-04? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>		<u>Name of State Program</u>
<u>495-034-5095-002</u>	(A)	<u>Reimbursed TPAF Social Security Contribution</u>

Note: (A) - Tested as Major Type A Program.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II - Financial Statement Findings

None

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

None

BOROUGH OF FORT LEE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Status of Prior Year Findings

Finding 2013-1:

The District submitted for federal reimbursement, expenditures for textbooks and workbooks for students not enrolled in the Title I, Part A program. A purchase order including both allowance and non-allowable costs was included in the total reimbursement amount.

Current Status

Corrective action has been taken.